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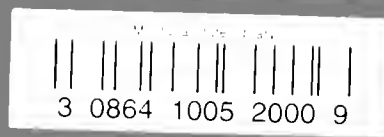
STATE DOCUMENTS

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SENATOR'S ANNUAL REPORT

*The
Executive
Branch
In
Review*





State of Montana

GOVERNOR'S ANNUAL REPORT



1969-70

Fiscal Year



*The
Executive
Branch
In
Review*

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State of Montana
Office of The Governor
Helena 59601

FORREST H. ANDERSON
GOVERNOR

January 4, 1971

Members of the Forty-second Legislative Assembly:

I am pleased to present to each of you the Governor's Annual Report for the 1969-70 fiscal year -- "The Executive Branch in Review". I am confident that you will find it both interesting and informative. For the first time in Montana's history, we have achieved a condensed, uniform, comprehensive review of activities within the Executive Branch.

Review Concept

Each of us has always been concerned with determining value received for dollars spent. This sort of determination is difficult to achieve in government but possible to do. One modern technique to satisfy this need is to determine why each governmental entity exists by identifying its programs, program goals, program objectives, achievements and evaluating the impact and value of performance indicators. Once this technique has been perfected, then we can become even more effective in managing our state government. Developing the capability to effectively manage on a program basis, however, will involve a great deal of effort on the part of every individual within state government--including the support of each member of the Legislature.

The material presented in the Annual Report represents, in my opinion, a good first effort. Without question, this technique can and will be improved. We are still in a relatively embryonic stage of development, before long, with proper support, we will rank among the leaders in this important endeavor.

Comments On Recommendations

In reviewing the recommendations in the Annual Report, you will find that the majority of agencies have expressed a need for substantially more funds. More funds to attract and retain competent personnel. More funds to provide larger staffs to provide more and improved services to the public. More funds for additional land, buildings and equipment. I have not made any attempt to channel the direction of these recommendations. I believe that each should be considered, analyzed and appropriately acted upon.

I agree that our state government would undoubtedly become more effective by adopting some of these recommendations. I am firmly convinced, however, that a concerted effort must be made to make certain that we have achieved maximum utilization from each dollar that we are now spending before we authorize substantially increased appropriations "across the board".

Comments On Achievements

In my State of the State Message presented to the Forty-first Legislative Assembly I said:

*"... We must create for the first time,
a workable executive department."*

To achieve this objective, I made four major recommendations to start us down the road to better fiscal management and improved leadership. I would like to review each of these recommendations and the progress we have made.

RECOMMENDATION ONE *** Upgrade the office of the Controller and the Department of Administration; combine the office of the Budget Director with the Department of Administration; and develop a qualified staff to implement a uniform accounting system and orderly administrative procedures.

DURING FISCAL 70. With the cooperation of the Forty-first Legislative Assembly, each of these recommendations has been implemented. The resultant benefits have been significant. For example:

- A series of "Management Memos" has been issued improving communications, establishing uniformity in several important areas and improving management practices.

- Central vendor claim processing procedures have been streamlined eliminating the need for three positions and facilitating payments to the State's suppliers.

- The fiscal administration of the State's capital construction program has been centralized enhancing our capability to manage this very important area of endeavor.

- Despite an unfavorable bond market, the State's building program was salvaged by issuing relatively short-term rather than long-term bonds. At the same time, interest costs were reduced by about \$8,700,000 over the life of the bonds.

- The Sinking Fund's reserve was invested earning \$80,000 in interest for the 1969-70 fiscal year.

- A new Budget Report has been implemented materially enhancing the fiscal management processes. Key managers are now afforded more meaningful information upon which decisions can more reliably be made.

- Pro rata and cost allocation plans have been implemented with the objective of distributing and collecting general administrative cost from non-General Fund entities. This includes the Federal government. Approximately \$140,000 was collected for the General Fund during fiscal 1970.

- A Management Systems Unit has been established to assist managers deal with their many complex tasks. The staff of this Unit has demonstrated their diverse capabilities by improving existing fiscal management processes; developing improved inventory management and internal control procedures for the Liquor Control Board; and preparing this Annual Report. By July 1, 1971, many significant improvements will be made by this Unit leading toward the development of a complete State-wide Accounting and Budgeting System.

RECOMMENDATION TWO ◦◦◦ Additional funds be provided for the Department of Planning and Economic Development primarily to make a maximum effort to anticipate, plan and set in motion a concerted drive to develop Montana economically.

DURING FISCAL 70. A nucleus of experienced, professional personnel has been organized to develop a strong, orderly activity for delivering needed planning and development services to the citizens of Montana. As a result, the Department of Planning and Economic Development achieved the following:

- Helped establish 25 firms in 16 communities for an estimated capital investment of fifty million dollars and employment for 1,100 persons.
- Assisted 30 firms to economically strengthen their activities.
- Coordinated research, planning and promotional efforts for the Big Sky of Montana recreational development near the Gallatin Canyon.
- Joined with other concerned agencies and the citizens of 18 eastern Montana counties to help create a regional planning and development program.
- Helped the Bureau of Business and Economic Research complete the state-wide economic study that is an important basis for planning Montana's growth and developing its resources.
- Developed plans for implementing a regional economic information system for measuring and evaluating changes in the economic base and migration patterns within Montana and its sub-divisions.

RECOMMENDATION THREE ◦◦◦ Provide funds to support the office of Federal-State Coordinator to attract qualified individuals to staff the office and begin the process of determining just where we are and where we are going, with regard to the many federal assistance programs.

DURING FISCAL 70. The office of Federal-State Coordinator was established on May 29, 1969. Since that time:

- Effective liaison has been established between the Governor's Office and the Congressional Delegation.
- Major Federal funding resources outside of regular categorial channels have been identified, and strategy for obtaining such funds developed.
- Major contributions in the areas of liaison, research and development of Federal participation in Montana's social and economic growth and community development have been made.
- Montana's viewpoint has been successfully advocated to the Federal government.

RECOMMENDATION FOUR ○○○ Provide additional funds to strengthen the operation of the Governor's Office so that the governor would be able to develop the tools needed to develop a business-like approach to managing state business. This capability is needed for example, to make certain the increased demands for funding results in commensurate increases in services to the State and the nation.

DURING FISCAL 70. The Governor's staff has, with limited resources, attempted to effectively coordinate the activities of the Executive Branch. But the most significant factor limiting achievements in this area is the basic organization of the Executive Branch. As you know, executive reorganization has been approved by the voters. The detailed plan will be submitted for your consideration during this legislative assembly.

*Promise
For The
Future*

In addition to the progress made in the four major areas of concern emphasized as I began my term in office, I think the other achievements presented in the Annual Report clearly demonstrate that the Executive Branch has made significant progress--progress toward making Montana's state government one of the more effective and efficient in these United States. Even so, I promise you and the people we represent that this is just the beginning.


FORREST H. ANDERSON
GOVERNOR

FOREWORD

It is the objective of the Governor's Annual Report to concisely and accurately present the goals, objectives, achievements, recommendations and performance indicators of each program administered by each funded agency within the Executive Branch.

The information included in the Annual Report has been extracted from annual reports submitted by the various agencies to the Governor. In the process of condensing the agencies' annual reports, considerable information has been excluded. Those interested in reviewing an agency's original report may obtain needed copies from:

*Department of Administration
Management Systems Unit
Room 117 - State Capitol
Telephone: 449-3608*

CORRELATION WITH THE EXECUTIVE BUDGET

Although a great deal of emphasis has been placed on finances, the Governor's Annual Report is not a budget document. The staff of the Department of Administration's Budget Division has not previewed recommendations contained in the Governor's Annual Report.

The Governor's Report is, however, designed to closely interface with the Executive Budget and should prove helpful in the process of reviewing the 1971-73 biennium budget.

RECOMMENDATIONS

Although the recommendations have been numbered in the Annual Report, that number does not necessarily indicate a priority rating. Also, while the wording of each recommendation is relatively complete, only the essence of the corresponding discussion has been included.

PROGRAM STRUCTURE - FUNCTIONS

Both the Executive Budget for the 1971-73 biennium and the Governor's Annual Report recognize the following eight functions:

- General Government
- Economic Development and Regulation
- Education
- Health, Social Assistance and Rehabilitation
- Labor and Employment
- Natural Resources and Recreation
- Public Safety
- Transportation

This array of functions does not correspond with the functions (groups) shown in the 1969-71 Executive Budget.

PROGRAM STRUCTURE - MAJOR PROGRAM AREA

To provide a more meaningful analysis of governmental efforts and activities, it is essential that each Function be further divided into Major Program Areas. At one point in the budgeting process it was planned to recognize Major Program Areas in the 1971-73 Budget.

Difficulties were encountered, however, and the concept has been temporarily set aside. Ultimately, this concept should become operational. As a starting point, tentative Major Program Areas have been included in the Annual Report but shaded-out to indicate that they are not official.

PROGRAM INVENTORY

The Governor's Annual Report concentrates on functions; agencies within functions; and programs within agencies. As indicated earlier, the array of functions correspond with those used in the 1971-73 Executive Budget. The programs, however, may not.

A concerted effort has been made to improve existing program structures. As a result, the program structures included in the 1971-73 Executive Budget are more meaningful than the program structures shown in the 1969-71 Executive Budget. Accordingly, agencies were permitted to prepare their annual report using either the new or the existing program structure. Use of the new program structure was permitted only if the agency could reasonably relate 1969-70 fiscal year expenditures--accumulated under the existing program structure--to the new program structure.

COST SUMMARY

Expenditures (costs) shown in the Governor's Annual Report correspond with amounts shown in the 1971-73 Executive Budget. These expenditures do not always agree with expenditures contained in the agencies' annual reports. This is certainly not a desirable situation but is unavoidable under the circumstances.

Total cost by agency and by each of the agency's programs have been included in the Governor's Annual Report. Total cost by source of funding is presented on the last page of the Table of Contents. More detailed information regarding expenditures and source of funding can be obtained through reference to the 1971-73 Executive Budget or from the Department of Administration's Central Accounting Division. Information

requested from Central Accounting can be obtained most readily if the agency and program codes shown in the Governor's Annual Report are used for reference purposes.

WHY AN ANNUAL REPORT

Section 82-4002, R.C.M. 1947, requires all agencies of the Executive Branch to submit a written report to the Governor before September 1 of each even numbered year for the immediately preceding fiscal biennium. An administrative decision was made to provide annual rather than biennial reports for several reasons:

This reporting statute would have required a report covering the last year of the 1967-69 biennium and first year of the 1969-71 biennium. This would have been, and would continue to be, a very cumbersome process. The biennial report would have been excessively voluminous and difficult to prepare within available time parameters.

Information pertaining to the first year of the biennium would have been untimely and, as a result, served little purpose.

By providing an annual report, members of the Legislature will be given a progress report on governmental activities between legislative sessions. Or, if the legislative session requirement is changed from biennial to annual, the annual reporting concept would coincide.

To make certain that no reporting gap resulted from this change, agencies have been instructed to prepare a report for the 1967-68 fiscal year. This information is not included in the Governor's Annual Report, but it is available from the agency upon request.

Legislation to modify Sections 82-4001 and 82-4002, R.C.M. 1947, will be submitted for consideration during the Forty-second Legislative Assembly.

EXTENT OF COMPLIANCE WITH REPORTING STATUTES

Generally speaking, most agencies appear to have made a concerted effort to comply with the uniform reporting statutes and Management Memo 70-12 which outlined the format and information to be included in the agencies' annual reports.

Some agency administrators still, however, appear to be reluctant to accept the concept of uniform reporting or recognize that their reporting statute has been modified. As a result, an unreasonable amount of effort was required to construct a meaningful report from the report submitted by some agencies. In fact, in some cases, there is little similarity between the agencies reports and the condensed version included in the Governor's Annual Report.

As soon as possible, a critique will be prepared of each agency to help agency administrators prepare now to produce an improved report for 1970-71.

The uniform reporting statute has proved to be extremely beneficial. Economically speaking, by requiring the agencies' annual reports to be duplicated in limited quantities, printing costs have been reduced to 10 per cent of what they have been in the past. This savings is complimented by the fact that the text

of the Governor's Annual Report was supplied to the printer in "camera-ready copy" achieving a net savings of at least \$7,000 in typesetting fees. In fact, the 500 copies of the Governor's Annual Report cost less than \$1,900--\$3.80 per book.



Ron Near

Director of Management Systems



Doyle B. Saxby, State Controller
Department of Administration

Management Systems Unit

Rod Sager:

Education
Transportation

Bud Stocking:

General Government
Natural Resources and Recreation

Sally Smith:

Health, Social Assistance and Rehabilitation
Public Safety

Tom Brooke:

Economic Development and Regulation
Labor and Employment

Composer typists:

Bonnie Jones
Ann Jensen

GOVERNOR'S ANNUAL REPORT

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<i>Function / Agency</i>	<i>Total Expended</i>	<i>Page</i>
—GENERAL GOVERNMENT—	\$6,123,331	
Department of Administration	892,004	1
Department of Planning and Economic Development	657,099	11
Federal-State Coordinator	50,148	19
Commission on Executive Reorganization	99,373	21
Crime Control Commission	273,741	23
Highway Traffic Safety	291,703	27
Office of Economic Opportunity	47,133	31
State Auditor	418,118	33
Treasurer	68,385	39
Attorney General	294,850	42
Secretary of State	146,356	46
Board of Equalization	1,152,212	48
Department of Lands and Investments	432,157	57
Board of Examiners	476,373	62
State Examiner	387,217	66
Joint Merit System	52,257	68
Commission on Aging	208,746	70
Coordinator of Indian Affairs	22,108	72
Veterans' Welfare Commission	153,351	74

*Function / Agency**Total Expended Page***ECONOMIC DEVELOPMENT &****REGULATION****\$25,878,715**

<i>Department of Agriculture</i>	<i>885,525</i>	<i>76</i>
<i>Entomologist</i>	<i>32,612</i>	<i>84</i>
<i>Board of Hail Insurance</i>	<i>820,013</i>	<i>86</i>
<i>Livestock Commission</i>	<i>752,090</i>	<i>88</i>
<i>Livestock Sanitary Board</i>	<i>580,168</i>	<i>92</i>
<i>Liquor Control Board</i>	<i>21,788,997</i>	<i>97</i>
<i>Milk Control Board</i>	<i>101,090</i>	<i>102</i>
<i>Oil and Gas Conservation Commission</i>	<i>237,577</i>	<i>105</i>
<i>Board of Railroad Commissioners</i>	<i>247,757</i>	<i>107</i>
<i>Abstracters Board of Examiners</i>	<i>1,053</i>	<i>109</i>
<i>Board of Architectural Examiners</i>	<i>5,793</i>	<i>111</i>
<i>Athletic Commission</i>	<i>892</i>	<i>113</i>
<i>Board of Barber Examiners</i>	<i>10,207</i>	<i>115</i>
<i>Board of Chiropractic Examiners</i>	<i>2,577</i>	<i>117</i>
<i>Examining Board of Cosmetology</i>	<i>33,134</i>	<i>119</i>
<i>Board of Dental Examiners</i>	<i>7,309</i>	<i>121</i>
<i>Electrical Board</i>	<i>92,467</i>	<i>123</i>
<i>Board of Food Distributors</i>	<i>23,887</i>	<i>125</i>
<i>Board of Hearing Aid Dispensers</i>	<i>3,416</i>	<i>127</i>
<i>Horse Racing Commission</i>	<i>20,413</i>	<i>129</i>
<i>Board of Massage Examiners</i>	<i>2,736</i>	<i>131</i>
<i>Board of Medical Examiners</i>	<i>18,369</i>	<i>133</i>
<i>Board of Morticians</i>	<i>4,700</i>	<i>135</i>
<i>Board of Nursing</i>	<i>48,808</i>	<i>137</i>
<i>Board of Examiners for Nursing Home</i>		
<i>Administrators</i>	<i>5,984</i>	<i>139</i>
<i>Board of Examiners in Optometry</i>	<i>3,859</i>	<i>141</i>
<i>Board of Osteopathic Examiners</i>	<i>107</i>	<i>143</i>
<i>Board of Pharmacy</i>	<i>19,289</i>	<i>144</i>
<i>Board of Plumbing Examiners</i>	<i>34,345</i>	<i>146</i>
<i>Board of Registration for Professional</i>		
<i>Engineers and Land Surveyors</i>	<i>20,701</i>	<i>148</i>
<i>Board of Public Accountancy</i>	<i>17,173</i>	<i>150</i>
<i>Real Estate Commission</i>	<i>42,682</i>	<i>152</i>
<i>Sanitarians Registration Council</i>	<i>117</i>	<i>154</i>
<i>Veterinary Medical Examiners</i>	<i>1,644</i>	<i>156</i>
<i>Board of Certification for Water and Waste</i>		
<i>Water Operators</i>	<i>6,998</i>	<i>158</i>
<i>Water Well Contractors Examining Board</i>	<i>4,226</i>	<i>160</i>

<i>Function / Agency</i>	<i>Total Expended</i>	<i>Page</i>
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EDUCATION	\$88,188,614	
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<i>Superintendent of Public Instruction</i>	<i>50,082,530</i>	<i>162</i>
<i>Executive Secretary, Montana University</i>		
<i>. System</i>	<i>424,524</i>	<i>172</i>
<i>University of Montana</i>	<i>11,374,603</i>	<i>176</i>
<i>Montana State University</i>	<i>11,081,430</i>	<i>183</i>
<i>Eastern Montana College</i>	<i>3,793,287</i>	<i>191</i>
<i>Montana College of Mineral Science and</i>		
<i>Technology</i>	<i>1,686,662</i>	<i>196</i>
<i>Northern Montana College</i>	<i>1,929,020</i>	<i>200</i>
<i>Western Montana College</i>	<i>1,212,336</i>	<i>204</i>
<i>Agricultural Experiment Station</i>	<i>3,227,931</i>	<i>208</i>
<i>Cooperative Agricultural Extension Service</i>	<i>1,794,678</i>	<i>212</i>
<i>School for Deaf and Blind</i>	<i>521,739</i>	<i>215</i>
<i>Historical Society</i>	<i>483,745</i>	<i>219</i>
<i>State Library Commission</i>	<i>509,893</i>	<i>222</i>
<i>Montana Arts Council</i>	<i>66,236</i>	<i>226</i>

HEALTH, SOCIAL ASSISTANCE &

REHABILITATION	\$49,903,483	
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<i>Department of Health</i>	<i>4,749,902</i>	<i>230</i>
<i>Department of Public Welfare</i>	<i>27,248,492</i>	<i>242</i>
<i>Division of Vocational Rehabilitation</i>	<i>1,819,236</i>	<i>247</i>
<i>Department of Institutions</i>	<i>383,755</i>	<i>251</i>
<i>Board of Eugenics</i>	<i>-0-</i>	<i>257</i>
<i>Board of Pardons</i>	<i>142,625</i>	<i>259</i>
<i>Center For The Aged</i>	<i>275,716</i>	<i>261</i>
<i>Galen State Hospital</i>	<i>1,710,850</i>	<i>265</i>
<i>Montana Veterans' Home</i>	<i>205,775</i>	<i>268</i>
<i>Boulder River School and Hospital</i>	<i>3,016,623</i>	<i>270</i>
<i>Eastmont Training Center</i>	<i>137,868</i>	<i>274</i>
<i>Warm Springs State Hospital</i>	<i>5,733,690</i>	<i>278</i>
<i>Montana Children's Center</i>	<i>665,637</i>	<i>283</i>
<i>Mountain View School</i>	<i>425,606</i>	<i>287</i>
<i>Pine Hills School</i>	<i>1,005,985</i>	<i>290</i>
<i>Swan River Youth Forest Camp</i>	<i>235,976</i>	<i>295</i>
<i>Montana State Prison</i>	<i>2,145,747</i>	<i>299</i>

<i>Function / Agency</i>	<i>Total Expended</i>	<i>Page</i>
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_ LABOR & EMPLOYMENT _____ \$ 50,573,250

<i>Employment Security Commission</i>	<i>12,760,760</i>	<i>305</i>
<i>Department of Labor and Industry</i>	<i>70,056</i>	<i>310</i>
<i>Industrial Accident Board</i>	<i>7,968,243</i>	<i>313</i>
<i>Public Employees' Retirement System.</i>	<i>24,209,644</i>	<i>318</i>
<i>Teachers' Retirement System</i>	<i>5,564,547</i>	<i>321</i>

_ NATURAL RESOURCES & RECREATION _____ \$ 7,742,543

<i>Fish and Game Department.</i>	<i>5,389,126</i>	<i>323</i>
<i>State Forester.</i>	<i>1,265,263</i>	<i>331</i>
<i>Grass Conservation Commission</i>	<i>18,558</i>	<i>336</i>
<i>Soil Conservation Committee</i>	<i>80,240</i>	<i>338</i>
<i>Water Resources Board</i>	<i>989,356</i>	<i>341</i>

_ PUBLIC SAFETY _____ \$ 3,641,252

<i>Adjutant General</i>	<i>452,017</i>	<i>347</i>
<i>Civil Defense</i>	<i>301,125</i>	<i>351</i>
<i>Highway Patrol.</i>	<i>2,888,110</i>	<i>353</i>

_ TRANSPORTATION _____ \$101,559,125

<i>Aeronautics Commission.</i>	<i>577,748</i>	<i>358</i>
<i>State Highway Commission</i>	<i>100,390,401</i>	<i>363</i>
<i>Registrar of Motor Vehicles.</i>	<i>590,976</i>	<i>368</i>

SOURCE OF FUNDING

General Fund	\$ 74,145,000
Earmarked Revenue Fund	52,709,000
Federal and Private Revenue Fund	87,075,000
Federal and Private Grant Clearance Fund	34,227,000
University Federal Sources	2,267,000
Bond Proceeds and Insurance Clearance Fund	23,000
Revolving Fund	19,127,000
Agency Fund	44,170,000
Other University Sources	15,677,000
Other	4,190,000
TOTAL	<u><u>\$333,610,000</u></u>

GOVERNOR'S ANNUAL REPORT

Function ► **GENERAL GOVERNMENT**

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Treasurer	39
Attorney General	42
Department of State	46
Board of Education	48
Department of Land and Natural Resources	52
State Police Department	54
State Prisoner	60
State Veterans Affairs	61
State Workers' Agency	64
Department of Public Affairs	71
Department of Welfare Commission	72

PROGRAM STRUCTURE	TITLE	CODE
FUNCTION	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	GENERAL ADMINISTRATIVE SUPPORT/FISCAL MANAGEMENT	1/2
ADMINISTERING AGENCY	DEPARTMENT OF ADMINISTRATION	0404

Administering Agency's
PRINCIPAL GOAL(S)

Provide timely, efficient, dependable, and economical centralized administrative and management services to all State agencies to make the operation of State government less costly and more effective.

PROGRAM INVENTORY AND COST SUMMARY

CODE	PROGRAM TITLE	COST
00	Controller	\$ 35,020
01	Accounting	149,346
02	Architecture and Engineering	91,507
03	Budgeting	69,203
04	Data Processing	601,262
05	General Services	363,154
06	Management Systems	47,331
07	Purchasing	136,443
		<u>1,493,266</u>
	Less Data Processing costs charged to other agencies	<u>-601,262</u>
▶	TOTAL	<u>\$ 892,004</u>

OVERVIEW

During the fiscal year we have strived to attain a more effective and responsive State government by furnishing guidance to agencies in the area of fiscal management and control and by providing centralized administrative services. During the year we accomplished the following:

- Established a Management Systems Program
- Established a Statewide Management Information Dissemination System
- Established a Board of Review
- Established a Sinking Fund Account Investment Program
- Developed and implemented a streamlined claims processing system
- Maintained a Capital Construction Program
- Implemented a Capital Construction Accounting System
- Designed and implemented a Monthly Budget Report
- Established a Pro-Rata Plan
- Improved central data processing services
- Increased the State's telecommunications network
- Provided management consulting and accounting services to requesting State agencies
- Upgraded the commodity Distribution Sub-Program

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Continue the design and implementation of a Uniform Statewide Budgeting and Accounting System.

ooo If sound fiscal administration in State government is to be achieved, the present effort must be continued until the new system is fully implemented and working smoothly. Operating personnel must be trained in the system before it will operate effectively. This will require the continued appropriation of funds to finance this crucial project.

2. Secure legislation to establish position and classification controls.

ooo A sound program of personnel management is urgently needed to promote more effective administration of State government.

3. Centralize within the Department of Administration the responsibility for monitoring, analyzing and investing the State's surplus funds.

ooo A centralized surplus money investment program should generate considerable more revenue to the State annually. The Governor's Commission on Executive Reorganization has tentatively recommended that this function be assumed by the Department.

4. Appropriate \$100,000 to provide for a comprehensive study of Montana's data processing needs.

ooo Such a study should include: evaluation of the operations of data processing installations throughout State government; determination of potential users and major applications that should be automated; and recommendation of how data processing facilities should be coordinated and grow over the next five years.

5. Initiate a pre-planning program for all projects of over \$300,000 before submitting the proposed project to the Legislature for its consideration.

ooo Presently, projects are submitted without investigating space and construction requirements, location, soil condition, etc. This often results in projects being grossly over or under-funded.

6. Adopt a plan for funding the capital construction program on a cash basis supported by a dedicated tax source.

ooo This would permit better planning and scheduling of the construction program and would result in major savings in interest that is now being paid.

7. Develop and maintain data for meaningful revenue analysis and evaluation.

ooo An effective revenue analysis program will permit the State to more effectively forecast revenues which will assist the Legislature to establish appropriations within available revenue.

8. Develop a master plan for the long-term use of land in the capitol complex area.

◦◦◦ A master plan, outlining the long term use of land in the capitol complex area, if developed, would aid in acquiring selected properties adjacent to the capitol complex; consolidate and protect the State's holdings, and provide the necessary groundwork for future development programs.

9. Revise State purchasing laws to permit the State to enter into contracts of duration greater than one year.

◦◦◦ It is unrealistic to expect business firms to bid on large contracts that require a substantial investment when they may lose the contract at the end of one year. Implementation of this recommendation should substantially reduce the cost of government.

10. Assist in the development of a records retention program and issue records destruction guidelines for all State agencies.

◦◦◦ The State urgently needs an effective system to provide for records retention and destruction. A system of this type would include a uniform records system which would permit the retrieval of records in a timely manner.

11. Secure additional funds needed to organize a standards and specifications sub-program within the Purchasing Program.

◦◦◦ This sub-program will develop standards and specifications for merchandise upon which vendors submit bids. By providing standards and specifications, the purchasing of State forms and equipment, for example, will fall under a uniform system resulting in considerable savings.

ANALYSIS OF PROGRAMS

PROGRAM ► CONTROLLER Cost \$ 35,020

◦GOALS

Provide effective guidance in the area of responsibilities to all agencies of State government.

◦OBJECTIVES

Establish improved cash management policies and procedures.

Establish uniform procedures for the issuance and sale of bonds.

Review the statutes governing the functions of this Department and propose corrective legislation where needed.

◦ACHIEVEMENTS

*To meet the critical need in State government for an effective, centrally directed, systems development program, a Management Systems Program was established and staffed. A primary objective of this program is

4 DEPARTMENT OF ADMINISTRATION

the development and implementation of a uniform, state-wide budgeting and accounting system. Another equally important role the program provides to requesting State agencies is management consulting services.

*Issued a new numbered series of Management Memos to all State agencies relative to a wide range of subjects. The objective of these memos is to: improve communications; establish uniform operating procedures; and improve management practices throughout State government.

*Organized the Board of Review as directed by the 41st Legislative Assembly. This Board, with staff assistance from the Budget Division, prepared and approved a Cost Allocation Plan and a State Pro-Rata Plan for the 1969-70 fiscal year. Under these plans, services provided by central governmental agencies are charged back to other programs. The General Fund was reimbursed about \$140,000 in the first year's operations of the State Pro-Rata Plan.

*The investment of a sinking fund Reserve Account, which is required in the Long Range Building Program Sinking Fund Account was established. At current interest rates, this investment will result in approximately \$80,000 additional revenue to the Sinking Fund Account.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Provided management consulting services for the purpose of determining fiscal administrative needs.	Not applicable	Increasing
Implemented a management memo system, improving communications; establishing uniform operating procedures, and improving general management practices.	Not applicable	Increasing

PROGRAM ► ACCOUNTING Cost **\$149,346**

◦GOALS

Provide complete and accurate financial information, in proper form, and on a timely basis, to assist the Legislative and Executive branches to carry out the operation of State government.

◦OBJECTIVES

Continue streamlining claim processing procedures to handle an anticipated increased volume of claims. (The claim load increased approximately 18% between fiscal years 1968-69 and 1969-70.)

Make a concentrated effort to improve the monthly financial reports to provide a better tool for management.

Compile a consolidated financial report for the State of Montana using both the financial reports received from the various State agencies and Central Accounting records.

◦ACHIEVEMENTS

*Instituted a sample claims pre-audit program. This has enabled the Accounting Program to process more work with three less people and still get the work out faster. This, in turn, has helped accelerate payments to vendors.

*Instituted an automated procedure for recording purchase orders and claims against the purchase orders. This has accelerated processing time; increased accuracy, and improved control over expenditures. In addition, various State agencies are now receiving computer generated reports of expenditures associated with this process.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average number of claims processed per day	850	Increasing
Journal vouchers processed	7,689	Increasing
Treasurer's receipts processed	10,423	Increasing
Purchase orders processed	17,319	Increasing

PROGRAM ► ARCHITECTURE AND ENGINEERINGCost \$ 91,507

◦GOALS

Provide for more functionally and aesthetically planned buildings at a reasonable cost to the State that will meet both present and future needs.

◦OBJECTIVES

Fulfill the responsibilities of the State Construction Program in the most logical, expedient and efficient manner possible.

Review and codify all laws, rules, regulations, policies and procedures governing the construction program.

Publish instructional and procedural manuals directed to the architectural profession, the construction industry, and State and federal agencies.

Re-evaluate personnel and positions with the Architecture and Engineering Program due to: (a) new federal and state policies requiring full time inspectors on major jobs; (b) the implementation of the construction accounting program within the Architecture and Engineering Program, and (c) the demand to provide review, inspection, and technical services in the mechanical and electrical engineering field.

Implement a program for storage and cataloguing of plans and specifications, including necessary files and equipment.

Investigate a program of pre-planning for all major projects to ensure adequate investigation and estimating before requesting extended funding.

Investigate and formulate a program of cash financing for the building program derived from a dedicated tax source.

◦ACHIEVEMENTS

*Involved with 155 construction projects during the year of which 86 were major projects of over \$10,000 each and 69 were minor projects of under \$10,000 each. As of June 30, 1970, thirty major projects were under construction representing contracts of \$19,646,044.

*Kept the State Capital Construction Program moving forward in spite of an unfavorable bond market and an out-of-date State statutory interest limitation of 5½%. This was accomplished by continuing the design work, from temporary funding sources, until bonds could be sold and issuing relative short-term (9 year) bonds rather than long-term (30 year) bonds as done in the past.

*Assisted by the Management Systems Program, implemented a central fiscal control over all State capital construction projects, exclusive of highway construction. This resulted in substantially accelerating payments to contractors for work done, and provided management with its first comprehensive record of the State's capital construction program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Authorized construction projects	155	Increasing

PROGRAM ► BUDGETING **Cost \$ 69,203**

◦GOALS

Assist in the preparation and administration of the State budget to effectively allocate available fiscal resources to meet public needs. Assure that governmental agencies carry out established programs efficiently and effectively.

◦OBJECTIVES

Develop a budget process which incorporates the principles of program budgeting, long-range fiscal planning, and performance indicators as best suited to the State of Montana.

Refine the indirect cost allocation plan to reflect program costs and to reduce General Fund support of non-General Fund agencies.

Re-evaluate agency program structures to insure that they reflect the goals and purposes of each agency in relation to program guidelines.

Develop concise General Fund source data for use in revenue planning and forecasting by all divisions of government and related improvement in General Fund revenue reporting.

◦ACHIEVEMENTS

*Designed and implemented a new, computerized monthly report that shows the agency's expenditures for the month, year-to-date, and the per cent of the budget expended. Budget Status Reports have proven to be a valuable tool for fiscal management, both at the agency level and at central control levels.

*Adopted a revised format for presenting the agency budget requests for the 1971-73 biennium. Agency programs have been revised and realigned to more fully explain each agency's operations and the financing thereof. This emphasis will be on what is done rather than how it is done.

*Prepared a Pro-Rata Plan to allocate the costs of services provided by central General Fund agencies for non-General Fund agencies. As a result of this plan, reimbursements to the General Fund were approximately \$140,000 during the 1969-70 fiscal year.

*Prepared and published an analysis of General Fund revenue sources. This report contains information regarding the sources of revenue by responsible agency; statutes governing collection; historical collection data; and recommendations for modifications in revenue accounting and reporting. For the first time, all General Fund revenue sources are summarized in one report.

*Conducted a review and evaluation of the accounts within the eight non-General Funds of the State's Treasury Fund Structure. The published report, which is maintained on a perpetual basis, contains information regarding each account. A number of inactive accounts have been eliminated from the Treasury Fund Structure as a result of this effort.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Fiscal notes prepared	106	Increasing
Budget amendments	94	Increasing
Supplements processed	4	Increasing

PROGRAM ► DATA PROCESSING Cost \$601,262

◦GOALS

Provide effective, efficient and economical data processing and duplicating needs to State agencies.

◦OBJECTIVES

Effectively and economically provide the necessary data processing services for the various State agencies.

Provide a staff of systems analysts and programmers to develop, document, and maintain the data processing projects requested by the various State agencies.

Provide quality duplicating services to the various State agencies at a minimum cost.

◦ACHIEVEMENTS

*Increased equipment utilization by 7,392 hours or 14.9% over that of 1968-69 fiscal year.

*Ordered a large computer to replace the present computer in September 1970. This will increase the capability of the center and permit user agencies to eventually connect directly to the computer through a telephone network.

*Prepared and distributed a Data Processing User's Manual that sets forth the duties and responsibilities of the data processing center and users of the services.

*Implemented instructions for improving control over files, processing procedures, program documentation, and work in progress.

*Increased the efficiency of the center's programing capability by increasing the size and supervision of the programing staff.

*Increased the capacity of the copy center by the addition of one duplicating machine. In addition, another duplicating machine, collator and copymaker have been ordered by the Legislature for delivery this fall. This new equipment should substantially reduce the Legislature's printing costs and accelerate bill printing time.

*The duplicating work performed for State agencies during the 1969-70 fiscal year totaled \$33,521: an increase of \$8,613 or 34.6% over that of the 1968-69 fiscal year.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Computer utilization	2,994 hours	Increasing
Data capturing	48,135 hours	Increasing
Unit record processing	5,284 hours	Decreasing
Forms handling	592 hours	Increasing
Total	<u>57,005 hours</u>	

PROGRAM ► GENERAL SERVICES Cost \$363,154

◦GOALS

Contribute to efficient State government through the effective management of physical facilities and services in the capitol area and by providing centralization of telephone, mailing, and records management services.

◦OBJECTIVES

Arrive at an effective balance between the continued increased demands placed upon the statewide telephone network and the most efficient and economical facilities that can be provided to meet the demands.

Establish a perpetual inventory of occupancy and develop a planning program for the effective forecasting of future space requirements.

Establish an improved program for the systematic repair and maintenance of buildings in the capitol complex based on the value of the buildings and the minimum funds required to maintain the buildings in the most economical condition of repair.

Extend the security protection provided for the building and grounds in the capitol complex as necessary to protect against the nationwide trend of increased violence toward public properties.

Within available resources, improve the statewide records management program.

◦ACHIEVEMENTS

*Increased the level of guide service in the capitol building to provide regularly scheduled tours every half hour from 9 a.m. till 6 p.m. seven days a week during the tourist season.

*Installed an automatic telephone switchboard to replace the manual PBX switchboard. State offices now receive better telephone service with two less operators.

*Added new lines to the State's telecommunications network to improve the level of telephone service.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Centrex telephone system line installation:		
WATS lines	4	Increasing
TIE lines	17	Increasing

PROGRAM ► MANAGEMENT SYSTEMS.....Cost \$ 47,331

◦**GOALS**

Provide the necessary services to make the business of managing State government more efficient, effective, and up-to-date.

◦**OBJECTIVES**

Provide for the effective development, direction and coordination of the overall management systems effort.

Develop, implement, modify, and perfect an accounting and budgeting system that will utilize modern, sophisticated managerial techniques resulting in the more efficient, effective and economical provision of governmental services.

Provide requesting agencies with management consulting services as needed to identify and solve management's operational problems through application of creative, progressive management arts and sciences.

Provide effective and economical bookkeeping, accounting and financial management services to the relatively smaller State boards, commissions, and agencies.

◦**ACHIEVEMENTS**

*Revised the central claim processing procedures to enhance efficiency and decrease costs.

*Provided consulting services for the Liquor Control Board alleviating the necessity to contract with an outside consulting firm.

*Provided form design services for State agencies resulting in reproduction cost savings of about one-third less than printer costs. Also, forms were able to be placed into use 3 to 4 weeks sooner.

*Established effective financial administrative controls over building construction projects under the jurisdiction of the State Controller. This action enabled the Architecture and Engineering Program to effectively discharge statutory fiscal administrative responsibilities and resulted in a more effective utilization of federal cost sharing funds.

*Provided central accounting services to agencies needing financial record keeping and advisory services.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Major projects		
Completed	2 (1,920 man hours)	Increasing
In progress	1 (1,200 man hours)	Increasing
Minor projects		
Completed	12 (1,200 man hours)	Increasing
Central accounting (agencies)	1	Increasing

PROGRAM ► PURCHASING Cost \$136.443

◦GOALS

Obtain the goods and services required for the operation of the various agencies of the State at the lowest possible cost through effective management and control of all purchasing activities.

◦OBJECTIVES

Effect monetary savings by the use of multi-year contracts not exceeding three years.

Make a concerted effort to add a standards and specifications sub-program within the Central Purchasing Program. A continual effort will be made to pursue the use of consolidated and faster methods of purchasing, including the adaptability of high speed computers.

◦ACHIEVEMENTS

*Received a federal assistance grant of \$45,547 for the expansion of the Commodity Distribution Program in Montana. This grant enabled the Purchasing Program to: move the program's central warehouse from Warm Springs State Hospital to a leased warehouse in Helena and hire two and one-half more persons for the program and thus improve the coverage and field supervision of the program throughout the State.

*Transferred the Commodity Distribution Sub-Program to the Welfare Department effective July 1, 1970. This administrative move was made to provide better coordination and supervision of welfare programs within the State.

*Improved the central purchasing function by: adding another buyer to the staff of four buyers and re-designing and improving the format of standard purchasing forms used statewide.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Requisitions processed	14,683	Increasing
Purchase orders processed	17,319	Increasing
Term or annual contracts awarded	22	Stable
Individual requests for quotations processed	5,732	Increasing
Claims for local purchases processed	65,632	Increasing
Formal calls for bid	957	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONSHIPS	3
ADMINISTERING AGENCY	▶	DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT	0422
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Promote, stimulate, and encourage the planning and development of the State, economically, socially, and physically to the optimum benefit of its citizens.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$158,034
01	Research		35,429
02	Information Systems Division		27,278
03	Industrial Development		40,384
04	Community Development		395,974
▶	TOTAL		<u>\$657,099</u>

OVERVIEW

This was the first year of operation of the Department under the new and restructured form and the enlarged budget approved by the 1969 Legislative Assembly. It has been a year in which both the level of activity and accomplishments have exceeded expectations. The main tasks of organizing, staffing and placing the Department on an operational basis, in all areas of responsibility covered by legislation and assigned by the Governor, are essentially complete. A firm foundation now exists for carrying out a wider range and heavier load of projected activities.

The recommendations contained in this report are directed to furthering the progress already achieved in the design and implementation of an effective and substantial planning and development effort which reflects the needs, resources and capabilities of the State of Montana.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *The Department's capabilities to provide assistance and a high level of responsiveness to an increasingly complex and growing spectrum of community and local governmental problems should be strengthened.*

ooo The Department has been confronted with demands for service and assistance in excess of available resources. To reduce these deficiencies, the Commission has prepared and submitted to the State

Budget Division recommendations with respect to areas deserving priority emphasis and the funding level required in the 1973 biennium.

2. Enabling legislation to permit local units of government to develop and implement plans more effectively should be passed by the 1971 Legislative Assembly.

ooo Proposed legislation to accomplish this purpose is being prepared. Passage of this legislation is considered to be critical to assist local units of government to meet growth and to adjust to change.

3. A system of uniform multi-county districts for agencies of State government should be established.

ooo Presently, major State departments operate under some 25 different districting plans. Economies of scale and effective coordination between State programs and between federal and State programs are difficult, inefficient and costly.

4. The Department should be designated "Official State Housing Agency" so it may more fully execute responsibility of identifying and mobilizing forces to alleviate housing needs in both urban and rural Montana.

ooo Through "Breakthrough" and participation in community housing activity, the Department has functioned as the State Housing Agency in an unofficial capacity by lending technical and supportive assistance to local efforts. While implementing these services, Departmental personnel have become acutely aware of fragmentation and possible dissipation of federal, state and local housing resources. As the need to coordinate all such resources, both public and private, becomes more evident to complement comprehensive State and community housing development, the Department recommends this official designation as a vehicle to move into a more positive and responsive role in housing on all governmental levels in Montana.

5. A body of reliable scientific and technical information, tailored to the needs and unique characteristics of Montana's environment, should be provided to guide decision making in efforts to stimulate the State's economic growth.

ooo Such a body of information can assist well-intentioned efforts to preserve and improve the physical environment. These efforts often become highly emotional and unnecessarily controversial in the absence of sound medical and physical data upon which to base reasonable guidelines for the location of municipal, industrial and agricultural operations, and the control of demonstrably harmful effluents. State agencies, competent to provide useful data, should therefore be encouraged to provide technical assistance and contribute to the store of information that can be used by communities and regions to plan soundly for economic growth.

6. The 1971 Legislative Assembly should be urged to review and clarify the intent of existing legislation designed to encourage and provide incentives for economic development.

ooo Experience with such existing legislation in Montana has shown problem areas. For instance the interpretation on use of Section 84-301, R.C.M. 1947, (as amended) has been limited to extractive type industries. More stimulus might be given to investment in Montana if the law is amended to be less restrictive and allow application to new industrial activities in labor-intensive, higher product-value type firms.

Similarly, Montana has a higher tax on merchandise in transit (freeport) than neighboring states. This noncompetitive feature, on the basis of present experience, puts Montana at a disadvantage for capital investment in warehousing, distribution and processing-in-transit industries.

Section 69-3923, R.C.M. 1947, (as amended) deserves priority emphasis to establish guidelines for interpretation and administration of the law, plus careful study to broaden and redefine the scope to include other forms of waste control equipment. Broadening along this line would serve to enhance and otherwise complement efforts to achieve a quality environment.

7. State financial and technical support is urged for the establishment and operation of a regional planning and development program in eighteen counties and two Indian reservations in eastern Montana.

ooo Such an effort is now in the organizational stages among individuals and organizations in the subject area and a request for State support and leadership is expected to be forthcoming prior to the convening of the 1971 Legislative Assembly.

8. Consideration should be given to establishing a special Statewide Citizens' Advisory Committee of 25 to 35 members to establish long-term goals and objectives and to recommend strategies for achieving them.

ooo Establishment of widely supported goals and objectives is a desirable and virtually essential first step in a state-level planning and development program. Therefore, a Citizens' Advisory Committee drawn from all regions of the State to include leaders in agriculture, industry, labor, conservation, recreation, finance, local government and civic organizations could add a beneficial public dimension at the beginning stage to the state planning and development process.

ANALYSIS OF PROGRAM

PROGRAM ► ADMINISTRATION Cost \$158,034

◦GOALS

Provide the internal support, supervision, and external coordination necessary to operate an effective and productive agency.

◦OBJECTIVES

Provide efficient organization and operation of the Department, to establish policies and to review and evaluate programs and activities in light of departmental goals and objectives to meet changing conditions.

Provide overall direction, coordination and support of all programs, sub-programs and elements.

Effectively administer the Economic Base Study.

Exercise direct supervision of State planning and other projects of a special nature.

Represent the Department on a variety of councils and committees as provided by law and as otherwise related to departmental programs. Coordinate and maintain liaison with other State and federal agencies.

◦ **ACHIEVEMENTS**

*As a direct result of the timely staffing, the second step of designing and implementing the work program is essentially complete. All major areas of program emphasis are operational within the limits of available funds and are functioning in a manner consistent with Departmental goals and objectives.

PERFORMANCE INDICATORS

Specific performance indicators have not yet been developed for this program.

PROGRAM ► RESEARCH Cost \$ 35,429

◦ **GOALS**

Provide information analysis and evaluation to the Planning, Community Development and Industrial Development Programs to increase their effectiveness.

◦ **OBJECTIVES**

To be responsive to the maximum degree possible to requests for interpretive information originating from industrial prospects, the public, governmental and quasi-governmental bodies in the State.

Prepare reports, collect data, provide lists and make directories available for public distribution as well as for use in the Department.

◦ **ACHIEVEMENTS**

*The Statewide Economic Study, which has been coordinated and monitored by this Department, was extended and given new direction and stimulus at the beginning of this fiscal year. Because of its comprehensive nature, its value and usefulness is expected to be great in terms of defining State goals and objectives in State planning and in solving problems of development and resource allocation.

*As a beginning of a series of reports on resource potentials, publications and studies dealing with Montana's natural resources have been collected, reviewed and analyzed for their content and usefulness. This effort to inventory and analyze elements of the State's total resources will help identify development potentials that may exist now or that are emerging as the nation's natural resource base and needs change.

*We have worked to develop a uniform plan of multi-county districts. Advantages of these districts would include more accurate statistical reporting, greater decentralization and coordination of State and federal services, and economies of scale in public facilities and programs of a basically regional nature.

*As a companion effort to the Economic Study, planning and development was accomplished for preparation of a State Data Book. This book will document the most comprehensive general data source since the publication of the Montana Almanac.

*Research personnel participated in an overall study of the Smith River for the Council on Natural Resources and Development. This study identified the areas of potential impact that changes in modes of recreation on the Smith River could produce. Although the study concluded that no changes in population nor income might be anticipated from increased recreational activity on the Smith, retail sales and county revenues might be expected to increase because of greater use and higher land values.

*During the fiscal year, in addition to our anticipated programs, we provided various types of assistance to industries located within the State, State agencies, and local planning and development groups.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Mail requests for assistance processed	280	Increasing
Major Research Projects:		
Completed	5	Varies
Inwork	4	Varies

PROGRAM ► INFORMATION SYSTEMS DIVISION Cost \$ 27,278

◦GOALS

To supply the informational needs of the Department, federal agencies, State and local government, industry and citizens of Montana.

◦OBJECTIVES

Provide an information service that is responsive to a variety of evaluation and decision-making needs.

Achieve a level of effort and service which reflects availability, frequency of demand, usefulness, accuracy and timeliness of the information maintained in the systems.

◦ACHIEVEMENTS

*The principal effort during the year was directed to the development and operation of a library information service. By the end of the fiscal year, the reference library contained over 4,000 documents from governmental agencies and numerous public and private groups involved in planning and economic development.

*A plan was developed and implemented to operate a state-wide clearinghouse for the 1970 decennial census. Under designation by the Bureau of Census, the Department will process all summary census tapes for users throughout Montana. Implementation of this plan will result in considerable savings to the State and will, at the same time, provide for more complete and more timely information about demographic changes and trends that are basic requirements in most research, planning and development programs.

*A new "Montana Directory of Manufacturers and Buyers Guide" was published during the year and a basic system has been established for current updating and periodic revision.

*Plans for several information subsystems to complement those already begun are well along. These include a regional economic information system containing data about the economic bases and migration patterns within regions and political subdivisions of the State. When these systems are established and operational, better and more reliable information will be available upon which to base planning and development efforts within sub-state regions and political sub-divisions.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Information library (no. of documents)	4,000	Increasing
Requests for information processed	700	Increasing
Information system meetings conducted	80	Varies

PROGRAM ► INDUSTRIAL DEVELOPMENT Cost \$ 40,384

◦GOALS

Seek feasible industry for the State and assist existing industry to grow and prosper within Montana. Reach and attract industrialists and other potential investors in economic opportunities in Montana.

◦OBJECTIVES

Provide consulting, coordinating and advisory services to State agencies and officials regarding economic development matters. Attempt to improve citizens' lives by providing more thorough full-time employment opportunities for industrial and recreational investments.

◦ACHIEVEMENTS

*Despite a slowdown in the general economic conditions in the country, new plants have been successfully established in Montana with emphasis in the area of resource related industries.

*Specific advice has been provided to communities on the formation of local development corporations, preparation of brochures, the formation of industrial development programs, site evaluation and referral of industrial prospects. Personnel have participated in industrial development seminars.

*Through the assistance from this agency, the Industrial Revenue Bond Law was declared constitutional by the Montana Supreme Court. The validation of this law permits cities and counties to sell revenue bonds to finance lower risk industrial projects which require substantial capital.

*The Department assumed the responsibility for state coordination and liaison for the Big Sky Recreational Development on the West Fork of the Gallatin River. It provided liaison for federal and private groups and services and it coordinated informational and professional services of other state agencies.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of industrial firm solicitations	100	Increasing
Trouble-shooting services provided (number of firms)	30	Varies
Assistance to new and expanding firms	25	Increasing
Assisted communities in Development Programs	42	Increasing

PROGRAM ► COMMUNITY DEVELOPMENT Cost \$395,974

◦GOALS

Provide technical guidance and assistance to units and bodies of State and local government and private citizens' organizations to help them organize, mobilize and coordinate the necessary resources to strengthen their economic, social, physical and cultural bases.

◦OBJECTIVES

Design, develop, administer and provide technical assistance to implement comprehensive planning programs in Montana's communities.

Assess the State's housing needs and develop solutions to meet those needs.

Provide technical assistance in community and intergovernmental affairs in such areas as municipal management, organization, administration and capital budgeting.

Administer federal loans and grants to aid planning and community development.

Review, as a clearinghouse, all applications for community planning and development assistance from such programs as defined in the Federal Bureau of the Budget Circular A-95.

Analyze urban and rural community problems and develop recommendations for Executive or Legislative Branch action.

Organize and coordinate federal, state, and local programs for assisting local government, including the United States Department of Housing and Urban Development 701 Planning Assistance Grant Program for the State, local communities and Indian reservations.

◦ACHIEVEMENTS

*Fifteen local comprehensive planning projects were completed. At the time, many of these projects were delinquent or unfunded but were brought up-to-date and completed. Six other communities and two Indian reservations have undertaken comprehensive planning. Initial contact has been made with at least 40 communities, and in many cases, contacts have been followed up with additional meetings.

*We prepared the first single grant application (HUD Program) for all planning needs in Montana listing planning programs for state and local agencies and Indian reservations. The initial application, which required three months of preparation, applied for \$351,000—all of which HUD granted.

*As a part of the single grant application, a grant allocation of \$130,000 was applied for and received, to match State funds amounting to \$65,000, for the first year of operation of the Commission on Executive Reorganization. An allocation for support of the second year of \$122,000 (to match \$61,000) is underway. Its approval appears assured in view of its high priority.

*During the fiscal year, the function of the State Clearinghouse on federal grant applications was estimated for the State. The Clearinghouse has successfully dealt with three problem areas: limited feasibility; overlap and duplication; and lack of cooperation and coordination. This activity is in an infant stage, but if supported by appropriate authority and given the present levels of cooperation by various participating agencies and community groups it should bring about more effective use of State and local monies with less overlap and duplication of effort.

*The Department, in behalf of the State of Montana, received a new HUD grant of \$351,000. This is the largest annual allocation of planning assistance funds ever received by the State and it was achieved for the first time under a single grant application.

*The Department, with the assistance of a \$17,000 HUD grant, joined with the Legislative Council's Subcommittee on Local Government and a 10-member citizen advisory committee to develop "permissive" planning legislation.

*The Department of Planning and Economic Development instituted a first-year housing study for the purpose of identifying housing needs across the State. The study will be directed particularly to the areas of low and moderate income housing.

*We entered into a contract with the Farmers' Home Administration to conduct a state-wide sewer and water study which involved collecting data and preparing a sewer and water plan for every city, town, or unincorporated area with more than five dwelling units in any one cohesive unit up to 5,500 population.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Local planning projects completed	15	Increasing
New Planning Projects Started:		
City-County	6	Increasing
Reservations	2	Increasing
Community planning boards in operation	36	Increasing
Received federal grant allocation for commission on executive reorganization	\$130,000	Varies
Processed claims for payment (sewer and water study consultant)	\$169,812	Varies
Reviewed county sewer and water needs	17	Increasing
Grant applications processed	200	Varies
HUD Local Planning Assistance Grants Acquired	\$246,000	Increasing
HUD State Planning Assistance Grants Acquired	\$105,000	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	FEDERAL-STATE COORDINATOR	0201
Administering Agency's PRINCIPAL GOAL(S)	Effectively: coordinate Federal, State and local functions; identify and develop funding resources; disseminate Federal policy and grant information; and advocate Montana's viewpoint to the Federal establishment.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Federal-State Relations		\$ 50,148
▶	TOTAL		<u>\$ 50,148</u>

OVERVIEW

Highlights of the fiscal year include submission of a proposal to establish the Missouri River Economic Development Regional Commission, coordination with the Department of Health, Education and Welfare, and other Federal, State and local agencies in an effort to develop programs to benefit Montana and the entire region at the Glasgow Base site; and the establishment of a close working relationship between the Governor's Office and the Montana Congressional Delegation.

During the coming year we anticipate working toward the continuing refinement and improvement of procedures to represent the State of Montana to the Federal establishment.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. The amount of time the Federal-State Coordinator spends in Washington, D.C., on a routine basis, should be increased from 50 per cent to 75 per cent. Remaining staff duties in the Helena office would be adjusted accordingly.

◻◻◻ A major factor in Montana's successful competition for federal funds is consistent, sustained representation in the national capitol to provide direct liaison between the Congressional Delegation and the Executive Branch of State government, protect Montana's interests and influence decisions regarding pending legislation and Federal funding of programs which affect Montana, and provide, on a current basis, information to approximately 100 State agencies and 400 local jurisdictions, agencies, associations, and groups about federal legislation, funds, programs, policy and operations.

ANALYSIS OF PROGRAMS

PROGRAM ► FEDERAL-STATE RELATIONS..... Cost \$ 50,148

◦GOALS

Effectively: coordinate Federal, State and local functions; identify and develop funding resources; disseminate Federal policy and grant information; and advocate Montana's viewpoint to the Federal establishment.

◦OBJECTIVES

Secure increased and additional Federal funds for Montana; improve utilization of federal resources; strengthen coordination of federal, State and local programs; and provide a strong advocacy for the State with the Federal establishment, both Executive and Legislative.

◦ACHIEVEMENTS

*One of the major achievements was the establishment of new and improved communication links between the various structures and levels of government, with resulting improvement in management, planning and coordination of resources and efforts, and utilization of Federal funds.

*A five-state Missouri River Regional Economic Development Commission proposal has been researched, prepared, coordinated (with the administrations and Delegations of the five states) and submitted to the Department of Commerce and the U.S. Congress for approval and funding. It is anticipated this Commission will be operating within the coming year.

*Stimulated and coordinated efforts to develop regional, multiple-purpose Federally funded programs for the deactivated Glasgow Air Force Base site were made by this agency.

*Coordination mechanisms were developed between the Congressional Delegation, the Governor's Office, State agencies and local communities concerned with meeting the impact of construction of The ABM Safe-guard System in north-central Montana.

*Inventories of Federal lands and land-use related payments in Montana; Federal grants, activities, and expenditures in Montana; and their distribution were completed.

*Previously unidentified and/or non-utilized Federal funding resources were obtained.

*A system has been established whereby all applications for federal assistance by State agencies (excepting the Department of Public Instruction and the University System) are transmitted through this office, for submission and follow-up at Federal levels.

*This office has intervened on behalf of more than 25 State and local applications for Federal assistance for which funding was uncertain—with the result that about three-fourths of these were funded.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
City, county, town, assistance contacts made	400	Increasing
Applications for assistance transmitted	148	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT	1
ADMINISTERING AGENCY	▶	COMMISSION ON EXECUTIVE REORGANIZATION	0108
Administering Agency's PRINCIPAL GOAL(S)	Complete a detailed and thorough study of the structure of the executive branch of State government and prepare a plan to provide for effective reorganization.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Executive Branch Reorganization		\$ 99,373
▶	TOTAL		<u>\$ 99,373</u>

OVERVIEW

A good deal of progress was made during the first year of the reorganization study. The second year will result in the completion of a plan to provide the people of Montana with an efficient and responsive State government.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Legislative adoption of the executive reorganization plan submitted by the Commission.*

ooo The object of the study conducted by the Commission is to provide for concrete action, which can only be accomplished by legislative implementation of the proposed reorganization plan. Adoption of the plan will accomplish these results: an executive branch that is more responsive to the needs and wishes of the public it serves; increased coordination, efficiency, effectiveness, and quality of programs and services; increased capability of the Governor and administrative officials to develop, execute, and coordinate programs; and increased ability of the Legislature to provide policy for the management of the executive branch.

2. *An appropriation of \$309,000 (\$206,000 in federal funds and \$103,000 from the General Fund) should be made for a special research unit of the Governor's Office to provide orderly implementation of the adopted reorganization plan.*

ooo If sweeping changes in executive organization are adopted, the departments involved will have many adjustments to make. Assistance from the designers of the new legal framework will be vital in getting the program started successfully.

ANALYSIS OF PROGRAMS

PROGRAM ► EXECUTIVE BRANCH REORGANIZATION Cost \$ 99,373

◦GOALS

Complete a detailed and thorough study of the structure of the executive branch of State government and prepare a plan to provide for effective reorganization.

◦OBJECTIVES

Conduct an analysis and appraisal of the present structure of the executive branch of State government and prepare a written report including recommendations for change in the present structure. Draft legislation necessary to implement recommendations resulting from the study.

◦ACHIEVEMENTS

*During the fiscal year an appraisal of the present structure of the executive branch of government was completed. More specifically, a comprehensive listing of executive agencies and their legal authority was prepared, a graphic representation of the existing executive structure was prepared; and the functions of executive agencies were analyzed, with particular emphasis on the money and manpower devoted to these functions, and the relations between the several agencies.

PERFORMANCE INDICATORS

REPORTS PREPARED:

- "Professional and Occupational Licensing"
- "Expenditure Process—Montana State Government"
- "State Board of Equalization"
- "Department of Administration"
- "Investment of State Funds"
- "Labor Agencies and Functions"
- "Supplement to Report on Department of Administration"

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	CRIME CONTROL COMMISSION	0201
Administering Agency's PRINCIPAL GOAL(S)	Provide effective assistance to law enforcement agencies in an effort to reduce the crime rate within the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Crime Control Administration		\$273,741
▶	TOTAL		<u>\$273,741</u>

OVERVIEW

Much of our effort during the fiscal year involved such activities as: the establishment of the State Planning Agency; state-wide juvenile delinquency planning program; administering Discretionary Grant Programs; providing technical assistance to State law enforcement agencies; and conducting numerous surveys and inventories regarding crime statistics.

To enable us to provide a more effective Crime Control Program the following is required: (1) establishment and funding of a State telecommunications officer to regulate and control radio communications and frequencies for all State and local agencies; (2) development of a State medical examiner and forensic (crime) laboratory system; (3) legislation requiring mandatory reporting of criminal statistics; (4) development of a computerized criminal justice information system; and (5) legislation establishing minimum standards and training for Montana Peace Officers.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. \$25,000 should be appropriated to provide for the continuation and expansion of the Montana Law Enforcement Academy.

*** Crime in Montana is on the increase. A way to curb this is through training and education

for the police officer. The Montana Law Enforcement Academy must develop the capability of providing maximum levels of recruit and basic training. Expansion of the Montana Law Enforcement Academy facilities to train all Criminal Justice System personnel should proceed at an accelerated pace.

2. \$200,000 should be appropriated to establish a State Medical Examiner and Forensic (Crime) Laboratory Commission within the Department of Health. The appropriation will be used to establish, staff, and operate a technical facility under the supervision of the Commission.

◦◦◦ The ever increasing need for laboratory analysis of physical evidence connected with crime and the fact that existing facilities are unable to handle the volume of work justifies establishing a Crime Laboratory. A sophisticated, centralized crime laboratory will be invaluable to law enforcement officials and prosecuting attorneys. Trials will not be delayed or dismissed due to an inability to obtain a timely and accurate analysis of materials. The Office of State Medical Examiner will be directly concerned with the operation of the Crime Laboratory and will also serve as a resource for the county coroner system.

3. Funds should be appropriated to provide a State telecommunications officer to regulate and control radio communications for all State and local governmental agencies.

◦◦◦ The State Telecommunications Officer will coordinate a communications system to provide law enforcement with the rapid information it requires. He shall insure that expansion allows an eventual capability of supplying data and information to all Criminal Justice System personnel. As coordinator, he shall: update equipment at State and local levels; insure coverage in all areas; and develop plans to cure clogged airways and unreliable communication equipment.

4. An additional \$150,000 should be appropriated to expand existing systems and add new services. (Legislation may be required for implementing a state-wide uniform crime reporting system.)

◦◦◦ Communications is the heart of the Criminal Justice System. Without adequate communications, a law enforcement official is extremely handicapped. Therefore, rapid communication of accurate information is critical in all law enforcement operations. The law enforcement official must be able to receive information "instantly" regarding drivers' licenses, license plates, stolen property, warrants and criminal identification.

5. An additional \$16,300 should be appropriated for the purpose of instituting the Montana Bureau of Criminal Statistics under the jurisdiction of the Governor's Crime Control Commission.

◦◦◦ An initial step has been taken by the Governor's Crime Control Commission to collect, compile and disseminate criminal justice statistics. However, limited resources have hampered these efforts. The federal government requires ample statistical data to support all requests for federal funds. Thus, an adequate data collection and compilation system is a major factor in securing matching funds. It will provide also a base for monitoring the progress of the Crime Control Commission. A statistician should be hired and provided with the necessary equipment to accomplish the job.

6. An additional \$29,800 should be appropriated to establish and staff a Peace Officers' Standards and Training Commission.

ooo A major factor in reducing crime in Montana is to upgrade law enforcement personnel state-wide. The means to accomplish this is through a commission with authority to set minimum standards of selection and training for peace officers. A Peace Officers' Standards and Training Commission should be developed and its authority expanded in the future to accomplish law enforcement planning and program implementation on a state wide basis.

7. Detention and/or shelter facilities should be developed in those cities requiring them.

ooo One of the most serious problems facing local agencies is the lack of facilities or alternatives to formal confinement. Temporary group homes and receiving facilities are needed. These types of facilities will also assist in the coordination of other programs within the youth service system.

8. A continuing uniform data collection system must be developed and supported by all law enforcement agencies.

ooo The entire juvenile justice system needs to be evaluated. At this time we have initiated the entire system with the exception of the law enforcement phase. It will take a considerable amount of time and effort to design accurate reporting methods for state-wide acceptance.

ANALYSIS OF PROGRAMS

PROGRAM ► CRIME CONTROL ADMINISTRATION.....Cost \$273,741

◦GOALS

Provide effective assistance to law enforcement agencies in an effort to reduce the crime rate within the State.

◦OBJECTIVES

Upgrade law enforcement personnel through intensive and extensive education and training programs.

Prevent crime through extensive public education.

Prevent and control the rising incidence of juvenile delinquency.

Improve the detection and apprehension of criminals through the establishment of sophisticated communications systems and the acquisition of modern equipment.

Assist in the improvement of prosecution, court activities and law reform.

Increase the effectiveness of corrections and rehabilitation (including probation and parole).

Prepare for the potential of organized crime.

Prepare for the prevention and control of riots and civil disorders.

Improve police community relations.

Conduct research and development operations through the establishment of criminal research systems, crime laboratories, and other systems analyses to improve the efficiency and tactics of law enforcement.

°ACHIEVEMENTS

- *Completed Montana's first comprehensive state-wide plan for the study of the Criminal Justice System.
- *A \$147,000 planning grant and a \$100,000 action fund was obtained from the Federal government.
- *The courses offered through the Montana Law Enforcement Academy were expanded from six over a 12-week period to sixteen over a 28-week period.
- *A comprehensive plan for calendar year 1970 was completed and approved which will generate \$1,150,000 in action programs for further development of the State's Criminal Justice System.
- *A data processing program was developed to measure the nature and scope of the juvenile offender as well as the incidence and rate of delinquency confronted by the juvenile court system.
- *State-wide coordination of youth services has been improved by the implementation of a monthly newsletter published through this program.
- *Helped develop and secure funding for four of the seven applications submitted to the Law Enforcement Assistance Administration for discretionary monies.
- *Law Enforcement Education Programs have been instituted at six colleges and universities in Montana.
- *Six task forces, whose judgment is relied upon by the Commission in making decisions affecting the more sophisticated areas of law enforcement, were formed.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Criminal justice personnel graduated from the Law Enforcement Academy	185	Increasing
Funds awarded to the Crime Control Commission	\$96,325	Varies
County data collection projects conducted	14	Increasing
Funds awarded to other units of State Government	\$99,833	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	HIGHWAY SAFETY DIRECTOR	0201
Administering Agency's PRINCIPAL GOAL(S)	Create, implement, and maintain an effective comprehensive traffic safety program.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Traffic Safety Administration		\$291,703
▶	TOTAL		<u>\$291,703</u>

OVERVIEW

During the fiscal year a Comprehensive Montana Highway Safety Plan was submitted to the Federal government and received approval. This plan represents, for the first time, a formal document outlining our needs and our intentions to correct existing deficiencies. Recommendations made represent those areas of most pressing need to significantly reduce death, injury and property damage on our highways.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. An additional \$840,000 should be appropriated to the Montana Highway Patrol to hire, train, and equip 50 additional patrolmen and to hire, train, and equip 20 additional drivers license examiners to implement a classified drivers license and retesting program.

ooo A major factor in reducing the State's losses in highway accidents is the competent enforcement of our driving laws. Although the Montana Highway Patrol is extending every effort possible to enforce our driving laws, additional patrolmen and driver examiners are needed to administer an effective enforcement program.

2. *The Legislative Assembly should pass an Implied Consent Law and amend our present Presumptive Limit Law, lowering this limit to 0.10% blood/alcohol. This change should be accompanied by a \$20,000 appropriation to the Montana Highway Patrol.*

◦◦◦ The area of alcohol countermeasures represents our most identifiable need. The above mentioned laws, properly enforced, could result in an immediate reduction in accidents.

3. *The following speed limit legislation should be adopted together with a supportive \$80,000 appropriation to the Montana Highway Commission:*

Daytime Maximum Constructed Interstate System
75 mph all cars and pickups
65 mph all others

Daytime Maximum Primary and Secondary System
70 mph all cars and pickups
65 mph all others

◦◦◦ A comprehensive study has indicated that the above mentioned limits are now being voluntarily met by 90% of the driving public. It is for the remaining 10% that we must provide a speed limit. In 1959, when Montana had a speed limit in force, we had the lowest accident rate in recent history. Our basic rule as it now stands (reasonable and prudent) is just simply not readily enforceable.

4. *\$100,000 should be appropriated to the Registrar of Motor Vechicles to utilize automatic data processing facilities to process applicable records.*

◦◦◦ The development and implementation of a data processing system can add substantially to the effectiveness of the Motor Vehicle registration program. Increased effectiveness would be realized in such areas as information retrieval and registration. If State matching monies are made available for this program federal matching monies could effectively be used to aid in the development process.

ANALYSIS OF PROGRAMS

PROGRAM ► TRAFFIC SAFETY ADMINISTRATION Cost \$291,703

◦GOALS

Creation, implementation, and maintenance of an effective comprehensive traffic safety program.

◦OBJECTIVES

Create a traffic safety program capable of reducing traffic deaths, injuries, and property losses resulting from traffic accidents. Draw together, under the direction of the Governor, all the diverse state-wide highway safety activities, including activities responsive to the standards promulgated by the Department of Transportation, into a well-structured, concerted effort that satisfies the State's highway safety objectives.

◦ACHIEVEMENTS

*In an effort to improve the quality and availability of emergency medical treatment equipment throughout the State, a program of ambulance acquisition was initiated. Allocation of federal funds, in combination with matching local funds, permitted the purchase of ambulances in the following areas. Phillips County, Ravalli County, Pondera County, Deer Lodge County, and in the city of Laurel.

*Federal and matching funds were used during the fiscal year to meet the expense of providing traffic engineers in two Montana cities. These engineers performed traffic and accident analyses within the respective cities, and provided recommendations for alleviating specific traffic problems and eliminating or controlling particular traffic hazards.

*A program was initiated to provide traffic simulators for use in Montana schools as part of the driver education program. Specifically designed to provide youngsters from rural Montana with some insight into the techniques and hazards involved in driving in city or urban environments, two mobile traffic simulators were purchased. The cost of the simulators was met entirely through allocation of federal funds. Delivery of the simulators is expected prior to the beginning of the 1970-71 school year.

*Fund allocation and monitoring of the state-wide program for driver education was continued during the fiscal year. The most significant aspect of this program includes fund allocation (federal and matching State monies) to provide a driver education consultant to work with all schools throughout the State. As a result of the efforts of the consultant, two driver education teacher preparation courses (for college credit) were conducted during the fiscal year. The course given at Northern Montana College trained approximately 35 instructors. The same course given at the University of Montana trained 145 instructors.

*At Northern Montana College a curriculum which enables education majors to attain a minor in Driver Education was developed.

*Federal fund allocation and program monitoring for a traffic records study was continued during the fiscal year. The purpose of this extensive study was to: examine the traffic records throughout the State, recommend improvements in the maintenance of these records, and suggest methods of attaining maximum use of available data processing equipment.

*A program, funded with federal and matching State monies, (initiated immediately prior to fiscal year 1969-70) was monitored by, and funded through, this office. Designed as the first step in the conversion of all registration files, a significant amount of work was accomplished in the conversion of Montana's truck registration records from a manual file system to a data processing system with immediate retrieval capabilities.

*Due to the complexities involved in maintenance of an accurate traffic records system for a city of the size of Billings, a program was initiated during the fiscal year to design an efficient system which would improve the quality and accuracy of the records maintained. Federal and matching local funds were used to finance this project, which included providing an intensive training course in traffic records management for two Billings police officers.

*Utilizing only federal funds, an emergency medical services coordinator has been funded and monitored by this office during the fiscal year. This individual has functioned to coordinate and provide professional consultation in a state-wide effort to improve emergency medical treatment facilities and to increase the competence of the personnel involved in emergency medical treatment. In this latter portion of the project, approximately 250 people were given advanced training in emergency treatment.

*Utilizing federal and State funds, four Montana Highway Patrolmen attended out-of-state training courses in traffic safety administration. The courses placed major emphasis on the methods of improving driver licensing procedures, and may prove to be instrumental in improving the system within Montana.

*The Montana Comprehensive Highway Safety Plan, a detailed statement of the current status of highway safety programs in Montana and a detailed proposal for action through the next five years, was prepared and was subsequently approved by the Department of Transportation.

*The Montana Highway Safety Director, utilizing a \$5,000 grant from the Automotive Safety Foundation, completed a period of highway safety internship. This grant, which paid for salary and travel expenses, established this as a first-of-a-kind training program, designed to ensure professional competence among highway safety administrators.

*Under the guidance of this office, the Montana Highway Safety Traffic Board was established during the year to advise and assist the Highway Safety Director's office on traffic safety matters and to coordinate the thinking and plans of the diverse agencies involved with highway safety.

*During the fiscal year, considerable effort has been expended to reorganize the office of the Montana Highway Safety Director. As a result of these efforts, the office has been established in a functional, cohesive manner, staffed with competent, professional personnel, and is now able to promote and effectively coordinate the state-wide problems of highway safety.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Advanced emergency medical treatment (people trained)	250	Increasing
Number of patrolmen given out-of-state traffic safety courses	4	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	OFFICE OF ECONOMIC OPPORTUNITY	0201
Administering Agency's PRINCIPAL GOAL(S)	Aid in providing assistance to individuals, permitting them to take advantage of available opportunities, to achieve social and economic independence.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 47,133
▶	TOTAL		<u>\$ 47,133</u>

OVERVIEW

During the fiscal year, the Office of Economic Opportunity and the Executive Office of the President, re-emphasized their desire to have the states play a more intensive and extensive role in the elimination of poverty. The Director of the Office of Economic Opportunity has spelled out what this role should be in the form of instructions and has widely distributed these instructions to community leaders throughout the State. This has resulted in greater expectations being directed at the State Economic Opportunity Office. Presently, the State Economic Opportunity Office has a staff of three personnel, with only one "specialist" position. It is obviously absurd to think that this staff can even begin to answer the demands for assistance or be competent in all areas of concern. Therefore, if we are to overcome what some community leaders have termed a "credibility gap", additional skilled staff must be added to the State Economic Opportunity Office.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. An additional \$46,148 should be appropriated to hire a training officer, a housing specialist, a co-op specialist, and a secretary to provide services to community action agencies, community groups, and local governmental agencies to increase the effectiveness of this program.

◦◦◦ The Office of Economic Opportunity contributes eighty per cent of the funds needed to support the State Economic Opportunity Office (SEOO) and provides the State with instructions outlining the role of the SEOO. Among other duties, this role includes providing special technical assistance to Community Action Agencies, community groups, and local governmental agencies in an attempt to eliminate the causes of poverty and provide opportunities for the poor to elevate themselves. The communities are aware of OEO's instruction concerning the SEOO and expect their needs to be answered by SEOO. Presently, we have a staff of three personnel which includes only one "specialist" position. For us to effectively administer this program, the recommended positions must be provided.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 47,133

◦GOALS

Aid in providing assistance to individuals, permitting them to take advantage of available opportunities, to achieve social and economic independence.

◦OBJECTIVES

Provide technical assistance, where needed, to Community Action Agencies and local governmental agencies to develop, conduct, and administer programs to alleviate poverty in the State of Montana.

The ultimate level of accomplishment for this program is to provide the necessary services to the 84,000 low-income or disadvantaged residents of the State to permit them to achieve social and economic independence and self-sufficiency.

◦ACHIEVEMENTS

- *Assisted in the preparation of grant applications and program proposals.
- *Conducted workshops and training programs for Community Action Agency Boards and staff, low-income organizations, and other groups interested in contributing to the anti-poverty effort.
- *Disseminated information on federal and State programs and other funding resources.
- *Worked with regional field representatives in securing consultants and program evaluation specialists at request of Community Action Agencies.
- *Conducted an evaluation of the effectiveness of the Community Action Agency programs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Low-income residents receiving training	2,867	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT FISCAL MANAGEMENT INTERGOVERNMENTAL RELATIONS	1/2/3
ADMINISTERING AGENCY	▶	STATE AUDITOR	0205
Administering Agency's PRINCIPAL GOAL(S)	<p>Effectively oversee the fiscal operations of the State.</p> <p>Suggest plans for the improvement and management of public revenues.</p> <p>Promote and protect the public welfare from illegal and incompetent practices in the insurance and investment industries.</p> <p>Prevent man caused fires.</p> <p>Provide payroll services for State agencies.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$165,336
01	Insurance Division		114,101
02	Investment Division		24,395
03	Fire Marshal		47,527
04	Central Payroll System		66,759
▶	TOTAL		<u>\$418,118</u>

OVERVIEW

The State Auditor's Office is responsible for several diversified programs. Although many improvements need to be made to maximize program effectiveness, we feel that the programs, considering available resources, were effective during the 1969-70 fiscal year.

Looking into the future, we are especially concerned about upgrading the fiscal control processes for which the State Auditor is responsible and improving the information produced by the Central Payroll System.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Authorize the processing of all disbursements of State funds through the State Auditor's Office.*

ooo Some State agencies issue checks on bank accounts outside the control of the State Auditor. Consequently, these checks do not pass through the State Accounting System and an independent accounting record is not, therefore, centrally maintained.

2. One payroll system, either monthly or biweekly, should be established for all State employees.

ooo The Central Payroll System is currently operating both a monthly and a biweekly payroll system. The purpose of this is to test each system adequately to determine which method is most practical for the State and its employees. At the present time, there are approximately 4,500 employees paid on a biweekly basis and approximately 3,000 employees paid on a monthly basis. Central Payroll is currently evaluating the merits of both payroll systems and will soon recommend the most appropriate system.

3. The Central Payroll Division should collect its operating funds on the basis of service provided to every program by a charge per employee per month (not exceeding \$1.00).

ooo Presently 35% of Central Payroll's operating budget is provided by appropriation from the General Fund. The remaining 65% is obtained by charging the cost of payroll services rendered for employees not paid from the General Fund. As a result, the operating budgets and resultant expenditures of participating General Fund programs do not include applicable payroll processing costs. Charging each program, regardless of its source of funding, with payroll processing costs will not only produce more accurate program costs but this technique also will require programs with greater personnel turnover to bear a more appropriate share of applicable costs.

4. An Additional \$15,000 should be appropriated for personal services and contracted services in the Central Payroll System to provide for the accumulation of additional information which would be beneficial for administrative decision making.

ooo An expansion of existing payroll information services could be a valuable asset to the executive branch. Agency directors would be provided with informative administrative data, which would permit them to make timely and accurate management decisions. This should add substantially to the overall effectiveness of the administrative processes. However, before a program expansion of this nature can be effectively implemented, coordination between Central Payroll and affected agencies must be completed to prevent an overlapping of effort. Additional personnel will be needed to properly coordinate such a plan with all concerned.

5. \$61,908 should be appropriated annually and \$15,000 should be appropriated only for the biennium to substantially upgrade the Fire Marshal Program.

ooo Of the \$61,908, \$40,703 would provide three, full-time deputy directors (an arson investigator, a flammable liquids and liquid petroleum gases specialist; and a building inspector) and a secretary. The remaining \$21,135 would provide additional operating expenses. \$15,000 is provided to purchase four additional cars with short wave radios and office equipment.

The major factor in this program's inability to provide necessary service is lack of sufficient qualified personnel and tools with which to work. Only one per cent of all fires in 1969-70 were investigated. None of these investigations were thorough enough because of other, more pressing demands. Nationally, 20% of all fires are considered to be of incendiary origin. Comparatively, we are not doing anything about the other suspicious fires occurring each year in Montana.

Perhaps equally important are some of the dangerous conditions to life and property existing in our State. The flammable liquids installations (many endangering entire communities) need re-survey and follow-ups. Hospitals, nursing homes, hotels and other public occupancies are in need of correction to prevent a serious tragedy. Many are certain to trap occupants if a fire should occur.

6. *An additional \$25,000 should be appropriated annually to establish a branch insurance office to serve the needs of eastern Montana.*

◦◦◦ The office would be staffed by two examiner investigators and a secretary. This office will provide needed assistance and service to eastern Montana policy holders and claimants. It will provide also a full time facility for applicants desiring to take agent qualification examinations.

7. *An additional \$27,000 should be appropriated annually to secure full time legal and contracted actuarial services to upgrade the insurance program.*

◦◦◦ Sophistication of the insurance industry and its products has created a drastic need for advanced technical services. Without the benefit of professional, legal and actuarial personnel, the ability to efficiently and effectively discharge program responsibilities could be seriously impaired.

8. *The number of insurance companies supported by payroll deductions from the salaries of State employees should be reduced.*

◦◦◦ Approximately 16 insurance companies are involved in group health, life and accident insurance plans for State employees. State employees would benefit from group rates offered by one insurance plan. Also, the cost to operate the Central Payroll Program would be reduced.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$165,336

◦GOALS

Provide effective direction to, and coordination of, the various programs and activities within the State Auditor's area of responsibility.

◦OBJECTIVES

Strive for maximum productivity and efficiency in all programs of the State Auditor in order to better serve the public interest.

◦ACHIEVEMENTS

*Of 518,508 warrants issued during the 1969-70 fiscal year, 98% were mailed directly from this office without incident. Two per cent were picked up in this office by the issuing agencies.

*For better protection of State warrants, a security cage was constructed in the vault.

*Microfilming of State records is progressing satisfactorily. All cashed State warrants will be on microfilm as well as other pertinent State records under the jurisdiction of the State Auditor.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Warrants issued	518,508	Increasing
Percentage of errors detected and corrected	.1%	Varies

PROGRAM ► INSURANCE DIVISION Cost \$114,101

◦GOALS

Effective regulation of the insurance industry within the State for the benefit and protection of the public.

◦OBJECTIVES

Assure the continued solvency of each authorized insurance company to faithfully discharge its obligations to claimants and policy holders.

Ascertain that insurance rates are not inadequate, excessive or unfairly discriminatory.

Regulate the business in such a way as to encourage companies to make essential insurance protection readily available to the public.

Provide information and assistance to the public and industry on matters pertaining to insurance claims, rates, policies, agents and companies.

Collect and allocate premium taxes for distribution from specified insurance coverage to eligible firemen relief association and police pension plans.

Examine and license qualified applicants for insurance agents.

◦ACHIEVEMENTS

*A 29% increase in tax and fee receipts was achieved.

*The examination staff experienced a full examining schedule for both new companies and new agents.

*All department licensing records are now programmed to be processed on electronic data processing facilities.

*Much time and effort was utilized in effectively handling inquiries on matters pertaining to insurance claims, rates, policies, agents and companies.

*848 written complaints against the insurance industry were received and reviewed.

*The examination staff processed 61 applications by insurers desirous of doing business in Montana and found 46 acceptable, bringing to 803 the total number of insurance companies under the jurisdiction of the Insurance Division.

*A recent and major achievement in the licensing section has been the programming of all department licensing records on the computer. All records are maintained by means of data cards and renewal listings are now prepared by the department from the cards and mailed to the insurance companies for processing. This has resulted in a substantial savings in time and effort for both the insurers and the insurance department.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Agent examinations administered	828	Varies
Variable annuity examinations administered	43	Varies
Policy forms processed	19,000	Increasing
Rate filings processed	5,000	Increasing
Agent licenses renewed and issued	17,383	Increasing
Fees and taxes collected	\$4,931,699	Increasing
Telephone inquiries processed	17,000	Increasing
Written complaints received	848	Increasing

PROGRAM ► INVESTMENT DIVISION Cost \$24,395**◦GOALS**

The protection of investors in securities against the imposition of corrupt and unsubstantial schemes and the securities based upon them.

◦OBJECTIVES

Maintain a close working relationship between securities administrators of other states and the United States Securities and Exchange Commission.

Renew annually securities salesmen registrations on data processing listings.

◦ACHIEVEMENTS

*Current registrations of issuers of securities, broker-dealers, investment advisers, and securities salesmen, under the provisions of the Securities Act of Montana, have reached an all time high. We have kept abreast of the accelerated workload within available resources and, as a result, increased revenues to the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Companies registered (securities)	261	Varies
Registration fees collected	\$112,912	Increasing

PROGRAM ► FIRE MARSHAL Cost \$ 47,527**◦GOALS**

Upgrade fire safety within the State and reduce loss of life and property by preventing man caused fires.

◦OBJECTIVES

Thoroughly inspect all institutional, public assembly, hospitals, nursing homes, hotels, and State buildings annually.

Cause all industrial hazardous facilities to become reasonably safe.

Reduce incidents of arson fires.

Develop meaningful reporting of fire loss information so that the program can be given better direction.

Require people involved in remodeling and building of structures to comply with good fire standards, so that in the near future buildings occupied by the public will be reasonably fire safe.

◦ACHIEVEMENTS

*A number of flammable liquid bulk plants located in critical areas were sufficiently corrected in an effort to remove threats of danger to nearby communities. This represents about 250 of the 1,000 flammable liquid bulk plants.

*The State institutions improved their fire safety programs considerably as a result of our inspection efforts. Boulder and Miles City have added a fire safety supervisor.

*The State Building Code Council was activated and preliminary work is being accomplished to implement a State code. Designers of buildings are now cooperating in upgrading life safety.

*Numerous cities and towns adopted building and fire prevention codes in response to our inspection efforts.

*A start was made toward upgrading life safety in hotels. This was accomplished by initiating an extensive fire inspection program for commercial hotels.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Arson investigations	66	Increasing
Hotels surveyed	175	Unknown
Building plans checked	156	Increasing
Inspections	612	Increasing

PROGRAM ► CENTRAL PAYROLL SYSTEM..... Cost \$ 66,759

◦GOALS

Provide the payroll function for State agencies in an efficient, uniform, and systematic manner.

◦OBJECTIVES

Perform the payroll function for all State agencies in a timely and efficient manner and make available accurate useful information.

◦ACHIEVEMENTS

*Devoted considerable time, effort and money to expand services and adapt the payroll system to meet the needs of each State agency. More specifically, the State's share of health, life and/or accident insurance deductions were adapted to the payroll system.

*Preparatory work was completed to include industrial accident insurance as an automatic calculation on the payroll system.

*Automatic calculation and provision in the payroll system for the State's share of medical insurance, industrial accident insurance, and tax deductions was completed.

*Additional State agency payrolls were added to the central payroll system carrying approximately 94% of State employees.

*Revisions have been made to the system which have not only reduced errors, but have also reduced cost of operations.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Percentage of State programs with personal appropriations under central payroll	87%	Increasing
Percentage of State employees under central payroll	94%	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	➤	FISCAL MANAGEMENT	2
ADMINISTERING AGENCY	➤	TREASURER	0204
Administering Agency's PRINCIPAL GOAL(S)	Properly account for and safeguard all funds and property deposited into the State Treasury.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Treasury Management		\$ 57,549
01	Abandoned Property		10,836
➤	TOTAL		<u>\$ 68,385</u>

OVERVIEW

The state treasurer is elected for a term of four years. He is, by Law, designated as the treasurer of every State board, commission, bureau, department, and institution and is responsible for the receipt and recording of deposits therefrom. He is charged also with handling unclaimed property which escheats to the State.

During the fiscal year we have continued to improve our programs, despite an increase in workload, without an increase in personnel or equipment. The last Legislative Assembly increased the administrative functions of this office to include:

- Administration of governmental obligations deposited by contractors with the State (in order for them to draw retainage monies) while they are under contract with governmental entities.
- Monthly preparation and distribution of the State's beer tax revenue statement.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to permit the Treasurer to provide additional personnel, space and equipment.*

◦◦◦ During the 1969 Legislative session the Treasurer's administrative responsibilities were increased substantially. However, additional funds were not appropriated to permit the treasurer to increase his staff to satisfy these demands.

2. *Transfer the Abandoned Property Program to the Attorney General's Office.*

◦◦◦ Proper handling of the Abandoned Property Program requires that the Treasurer obtain the services of a legal counselor to provide the necessary legal advice and administrative processes involved in the program. Because the Attorney General's Office already has the ability to provide the necessary legal services to administer this program, we feel it should be transferred from the Treasurer to the Attorney General.

ANALYSIS OF PROGRAMS

PROGRAM ► TREASURY MANAGEMENTCost \$ 57,549

◦GOALS

Provide accurate and efficient handling and accountability of all State funds.

◦OBJECTIVES

Officially receipt for and properly account all monies received.

Maintain and update a perpetual record of collateral deposits.

Maintain records of account of all State monies deposited in banks throughout the State, including investments of surplus cash in Certificates of Deposit in Montana banks, and investing surplus cash when available in U. S. Treasury bills as authorized by the Depository Board.

Furnish daily to the State Controller and the State Auditor copies of all official receipts.

Prepare and deliver a listing of all disbursed items (such as warrants, bonds or coupons) and deliver these, along with the disbursed items to the State Auditor.

Maintain records of the investments made by State agencies.

Prepare and make distribution monthly of the State's Beer Tax Revenues.

Receipt and properly record contractor's pledges for contracts.

◦ACHIEVEMENTS

*Satisfied additional administrative requirements without increasing staff or equipment. This achievement required substantially increasing the workload of personnel in the Treasurer's Office.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Official receipts issued	10,400	Increasing
Warrants processed	703,615	Increasing

PROGRAM ► ABANDONED PROPERTYCost \$ 10,836

◦GOALS

Properly administer the statutes regarding abandoned property and escheated estates in order to safeguard the interests of the State and the people of Montana.

◦OBJECTIVES

Maintain complete and accurate records regarding all property received and to make prompt refunds upon approval of valid claims.

◦ACHIEVEMENTS

*The balance of the Unclaimed Property Account at the end of the 1970 fiscal year was \$167,889 – an increase of over \$39,000 from the previous year.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Unclaimed property account balance as of 6-30-70	\$167,889	Increasing
Abandoned property refunds claimed	\$ 3,406	Varies
Net income collected	\$ 51,013	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT	1
ADMINISTERING AGENCY	▶	ATTORNEY GENERAL	0203
Administering Agency's PRINCIPAL GOAL(S)	Provide legal services and representation to the State and its agencies as well as leadership, assistance and cooperation in the field of law enforcement.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Legal Services		\$180,457
01	Escheated Estates		11,729
02	Criminal Investigator		54,061
03	Teletypewriter Communications		48,603
▶	TOTAL		<u>\$294,850</u>

OVERVIEW

We have continued to improve our programs, especially in the area of leadership assistance and cooperation to law enforcement agencies in the State. This program has been enhanced greatly through the efforts of the Criminal Investigator's Office and the implementation of the new law enforcement teletypewriter system.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional monies should be appropriated for personal services and operation (\$11,400 annually) and capital expenses (\$135,000) for the Criminal Investigation Laboratory.*

◦◦◦ An additional employee should be employed to assist in the criminal laboratory. Also, laboratory equipment and supplies should be provided to increase the capability of the forensic lab and to allow its operation independent from the University of Montana.

2. *Additional appropriations to be used for both personal services and operation and capital, should be appropriated from the General Fund. Every effort should be made to secure federal assistance in creating and maintaining this program.*

◦◦◦ The Law Enforcement Teletypewriter System is gaining great support, acceptance and use by local law enforcement agencies and should be recognized as the State's responsibility in effective law enforcement. With the existing local users paying a pro rata share, which, in some cases, is at a maximum proportion presently, the state and federal governments should support this program to a greater extent.

3. *The administration of escheated estates and abandoned property activities should be placed under the Attorney General.*

◦◦◦ The administration of these activities is presently the responsibility of the State Treasurer. However, all legal work is being performed by the Attorney General. Therefore, it is suggested that this function be placed under the Attorney General. Administrative personnel as well as additional office space and supplies would have to accompany this modification.

ANALYSIS OF PROGRAMS

PROGRAM ► LEGAL SERVICES..... Cost \$180,457

◦GOALS

Provide effective legal services for the State and its agencies.

◦OBJECTIVES

Maximize the effectiveness of legal representation provided to the State and its various agencies.

Assist in encouraging optimum utilization of the Law Enforcement Teletypewriter System by law enforcement agencies throughout the State.

Assist in increasing the effectiveness of the Criminal Investigator program by procuring additional qualified staff and supportive equipment.

◦ACHIEVEMENTS

*The Office of Attorney General advised various State agencies, departments and commissions as to their legal responsibilities and duties under the statutes of Montana. Approximately 40 State agencies regularly call upon the Office of Attorney General for advice and assistance. Approximately 26 civil cases have been or are being prosecuted or defended on behalf of the State by this office.

*Planning was accomplished to permit presentation to State law enforcement officials, through the Attorney General's office, a formal program on the misuse of drugs.

*The Attorney General filed an anti-trust action in United States district court against five major manufacturers of broad-spectrum antibiotics. This class action was brought on behalf of the State, as well as the people of the State, in an attempt to secure damages caused by monopolistic practices. To date, a settlement agreement which has been agreed to by and between most of the parties to the suit is being reviewed by an appellate federal court.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
State's share on case settlement	\$237,900	No trend established
Montana Supreme Court cases	47	Varies

PROGRAM ► ESCHEATED ESTATESCost \$ 11,729

◦GOALS

Provide effective legal representation involving escheated estates, protecting the State's interest.

◦OBJECTIVES

Protect the State's interests in the vast increase of legal matters concerning escheated estates.

◦ACHIEVEMENTS

*During the fiscal year, this office represented the State Treasurer in enforcing claims of the State on abandoned and unclaimed property. One case involved disposition of corporate dividends which had been declared, but were not paid for seven years and were due and owing to stockholders. The District Court awarded dividends to those stockholders that could be located and the State claimed the right to recover that portion that was abandoned.

*A lawsuit was filed in federal district court, Butte division, against the United States of America and others, in which the State seeks to recover all unclaimed postal savings deposits where the last known address of the depositor is a Montana address, or where the funds were deposited in a Montana post office, continues to pend in court awaiting legislative action by Congress. These unclaimed monies would escheate to the State rather than remain unused.

*We have made coordinated efforts with other states in discussions designed to obtain unclaimed telegraphic money order deposits, and we are investigating the possibility of acquiring, as abandoned property, unclaimed and uncashed federal income tax refund payments where the last known address of the refundee was in Montana. These studies could result in recommendation to future legislatures that our abandoned property law be modified by broadening it to its widest possible constitutional limit.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Escheated property assets received	\$148,779	Increasing

PROGRAM ► CRIMINAL INVESTIGATORCost \$ 54,061

◦GOALS

Provide effective assistance to federal, state and local law enforcement officials and agencies in investigating and solving crimes.

°OBJECTIVES

Provide expert investigative and training assistance, and implement a forensic laboratory facility for law enforcement officers throughout the State.

°ACHIEVEMENTS

*Pursuant to legislative enactment and authorization, the criminal investigator's office was expanded to include a second investigator. In addition, the necessary equipment was purchased to allow full operation of this program.

*A mobile van was purchased to provide a better means of collection and preservation of evidence at crime scenes. This van has been extensively used by the criminal investigators, as well as by local law enforcement officials in their investigative work. Additional equipment for the criminal investigators has been purchased as the need has arisen during the period of this report.

*A chemist was hired to operate a criminal investigation laboratory. This lab has been equipped with the necessary supplies and materials, as the budget would allow, to be used in the analysis of various types of materials for law enforcement officials in the State. The chemist is also expected to provide expert testimony regarding these analyses. The chemist has been primarily concerned with the analysis of suspected dangerous drugs and providing testimony in cases involving drugs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Drug sample analysis made	35	No trend established

PROGRAM ► TELETYPEWRITER COMMUNICATIONS..... Cost \$ 48,603

°GOALS

Provide an effective teletype network connecting federal, state, county, and city law enforcement agencies to assist in the timely flow of pertinent crime control information.

°OBJECTIVES

Increase the efficiency of the existing teletype network to permit law enforcement agencies throughout the State to increase their effectiveness.

°ACHIEVEMENTS

*The Law Enforcement Teletypewriter System has greatly increased the scope and magnitude of its operations.

*Attendants of the LET system serve law enforcement personnel throughout the State 24 hours a day. There are presently 36 stations in the system with eight more agencies applying for service.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
LETS stations	36	Increasing
Number of LETS inquiries	39,000	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT	1
ADMINISTERING AGENCY	▶	SECRETARY OF STATE	0202
Administering Agency's PRINCIPAL GOAL(S)	<p>Establish effective procedures and preserve records entrusted to State custody.</p> <p>Maintain procedures for conducting effective state-wide elections.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Records Management		\$146,356
▶	TOTAL		<u>\$146,356</u>

OVERVIEW

During the fiscal year the workload of this office has steadily increased due to an increase in the number of filings and because of a substantial block of new and revised laws. New laws include a new Corporation Code as well as a completely revised Election Code—both requiring additional research, new procedures and forms. Also during this time, the first five-year termination period was reached for the Uniform Commerical Code of 1965—substantially increasing workload.

In an effort to increase our effectiveness, we feel that additional personnel must be obtained to effectively discharge our workload.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds for salaries should be appropriated to provide salaries for additional staff members and the equipment necessary to handle increased workload.*

ooo An additional corporation clerk and a full-time archivist should be hired to absorb a portion of the present workload. The proposed salary for both positions would be approximately \$10,944 annually. We feel this request is justified for the following reasons:

Corporations clerk: Handling of filings under the new Corporation Code is increasing, and is more complex and takes more time.

Archivist: There are well over a million permanent filings in several statutory categories in the office of the Secretary of State. This number grows at increasing yearly rates.

ANALYSIS OF PROGRAMS

PROGRAM ► RECORDS MANAGEMENT Cost \$146,356

◦GOALS

Establish effective procedures and preserve records entrusted to State custody.

Maintain procedures for conducting effective state-wide elections.

◦OBJECTIVES

Assure that proffered documents meet the requirements of the law, that timely filings are made thereof, and that the resultant records are maintained in an efficient, orderly and up-to-date manner.

◦ACHIEVEMENTS

•All proffered filings by and for the public have been completed although many hours of overtime work were necessary to accomplish this with the present staff.

•The new system for handling corporate filings under the new code is still in the process of completion. However, the new system will introduce efficiencies into the record keeping system and, in turn, provide a better service to the public and to the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Filing fee receipts written	21,972	Increasing
Total filing fees collected	\$251,991	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	FISCAL MANAGEMENT	2
ADMINISTERING AGENCY	▶	BOARD OF EQUALIZATION	0421
Administering Agency's PRINCIPAL GOAL(S)	<p>Assure a fair, just and equitable valuation of all taxable property among counties, between the different classes of property and between individual taxpayers and provide the execution of other duties relating to taxation as prescribed by law.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	General Administration		\$ 163,104
01	Property Tax		90,833
02	Income and Corporation License Tax		591,033
03	Motor Fuel Taxes		193,612
04	Inheritance Taxes		36,320
05	Store and Tobacco License Taxes		77,310
▶	TOTAL		<u>\$1,152,212</u>

OVERVIEW

During the fiscal year the: director of the Income and Corporation License Tax Department was named to the Multi-State Tax Commission's Committee on Joint Audits; the number of audits performed on corporations almost doubled that of the previous year; and a "computer audit program" was developed and implemented, which has proven successful.

Our recommendations, for the most part, involve additional appropriations and statutory changes be made to upgrade the present structure to permit us to accomplish our program objectives effectively.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *An additional \$128,000 should be appropriated to expand the audit activity of the Board with respect to both corporations and individuals.*

ooo This appropriation would cover the salary costs of five additional auditors, one additional typist, one part-time clerk-typist, and five part-time clerks required in connection with audit work. It would also cover the cost of auditor travel expense and the cost of required office equipment. An adequate audit program to properly administer income taxes is of great importance. We are currently faced with exactly the same problem as the Internal Revenue Service—as the number of returns filed increases, and as the complexity of the law increases, the result is that the number of returns and the number of items requiring

audit increases, thus consuming more audit resources and compounding our problems in an already understaffed function.

2. An additional \$114,640 should be appropriated to cover Data Processing charges for the next biennium to permit comparing by use of a computer, the withholding tax credits claimed on individual income tax returns filed with amounts actually withheld from the individual's wages as disclosed by employer reports on file in the Withholding Tax Section.

ooo Since the inception of the withholding tax in 1955 the need for this verification has been recognized. However, until the development of the Data Processing Center with the means of making the verification electronically the job could not feasibly be done on other than a highly selective basis due to the tremendous cost. Without this verification on a relatively broad scale, the possibility for fraudulently or inadvertently claiming more withholding tax credit than withheld exists.

3. An appropriation should be allocated to provide two additional auditors for in-state auditing and taxpayer assistance in the areas of gasoline refunds and special fuel taxes; one additional auditor to travel out of the state to audit interstate special fuel users; one additional auditor to perform office audits on special fuel users; and one additional office auditor to assist in examining gasoline refund claims.

ooo To insure the State that all taxes are being properly paid when due, and to keep current with the increase in taxpayers, additional personnel is needed. Nearly one-half million dollars was assessed on tax deficiencies in the last fiscal year as a result of auditing and examining taxpayers' records.

4. An additional \$5,175 should be appropriated for cost of data processing time to aid in the accounting for gasoline refunds payable, control of accounts and disposition of funds.

ooo Due to the length of time needed for present personnel to visually inspect and mathematically compute each individual claim, an accounts payable accounting system cannot be properly and accurately maintained. A portion of the refund program is presently being maintained by data processing. By updating and adding to the present system with proper controls, an accounting system could be maintained. This proposed addition would also cross-check the amounts determined to be paid by the auditors.

5. Aviation gasoline should be taxed at the same tax rate as the allocation to the Aeronautics Commission.

ooo Section 84-1847, R.C.M. 1947, taxes the gasoline distributor \$0.07 a gallon on all gasoline distributed in the State, including aviation gasoline. In accordance with Sections 84-1848 and 84-1855, R.C.M. 1947, \$0.06 of the \$0.07 tax is either exempt or refunded on aviation gasoline used in aircraft, and the remaining \$0.01 per gallon is allocated to the State Aeronautics Commission. The exemption and refund procedures are confusing to most taxpayers and quite often discourage taxpayers from applying for refunds. Aviation and jet fuel is expressly manufactured for and used solely in aircraft and not for vehicles. Therefore it should be taxed at the same rate as the allocation to the State Aeronautics Commission (\$0.01 per gallon).

6. A technically trained forester and an industrial appraiser should be added to the staff.

ooo These staff members are needed to assist in the difficult area of developing and maintaining uniform and equitable evaluations of tax assessment, for timber and timber lands and for industrial complexes.

7. A "Realty Transfer Act" should be enacted by the 1971 Legislative Assembly.

ooo It is recommended that the 1971 Legislative Assembly consider the passage of a "Realty Transfer Act" or similar legislation to enable this Board to secure true and complete data to be used in sales ratio studies, which data is, under present procedures, difficult and costly to secure and in over one-third of the attempts is actually impossible to secure.

8. The Legislature should enact a law requiring that each county review, reappraise and reclassify, if necessary, all real property within its boundaries at least once in every five years, and that Section 84-429.8, R.C.M. 1947, be amended to allow counties to levy a minimum of two mills for the "Classification and Appraisal Fund" if required.

ooo The present one mill limitation is proving insufficient to finance the necessary appraisal and classification work in some counties. An enactment of this nature would permit the counties to discharge their administrative duties more effectively.

9. Additional funds should be appropriated to provide a qualified auditor for the Inheritance Tax Department.

ooo The effectiveness of the audit programs in this Department is being decreased because of the increase in workload created by several factors: the number of estates presently being handled has increased considerably in recent years; and the additional workload created by complying with the recommendations of the Legislative Auditor.

10. A gift tax should be enacted to eliminate the problem of whether or not a gift was made in contemplation of death and to properly tax transfers which would otherwise escape taxation by the State of Montana.

ooo The most reoccurring problem faced by the Inheritance Tax Department is determining whether or not certain transfers of property are taxable and, if so, what proportion of the property should be reported for inheritance tax purposes. The section of law dealing with gifts in contemplation of death has caused more litigation than any other section of our law. The enactment of a gift tax would settle these questions.

11. A statutory amendment should be made to permit the State of Montana to more fully utilize the Internal Revenue Service Field Audit Program by extending our statute of limitations from one year to two years after the court order, determining the value of the estate, or six months after settlement of federal estate taxes between the estate and the Internal Revenue.

ooo Adjustments to the valuation of property are presently being made by the Internal Revenue Service for federal estate tax purposes. These adjustments which usually result in a higher valuation are agreed to by the estate, yet, in most cases, no adjustment can be made for Montana inheritance tax purposes since notification of the adjustment usually runs beyond our one-year statute of limitations.

12. Sections 91-4415, 91-4437 and 91-4450, R.C.M. 1947, should be amended to relieve the State Treasurer of the accounting responsibility of inheritance taxes except for the actual collection of the moneys deposited; to require the county treasurers to deposit all inheritance taxes collected with the State Treasurer on a monthly basis and to report to the Board of Equalization the amount of such deposit,

including the information concerning each estate, on a monthly basis; and to eliminate the need for filing with the State Treasurer a copy of the Order Determining Inheritance Tax.

◦◦◦ There is an overlapping of statutory duties assigned to the Inheritance Tax Department and to the State Treasurer's Office. These duplications were brought out during the legislative audit and the duties which could be separated without a change in the statutes have been separated. However, the statutes still require the State Treasurer to maintain certain records and to receive certain reports which are either useless or duplicated by records presently being kept by the Inheritance Tax Department.

13. *The statutes requiring the Clerks of the Court to deposit on a quarterly basis with the State Treasurer all funds in their inheritance tax trust fund account should be amended.*

◦◦◦ Another area in which the Legislative Auditor made certain recommendations concerned the depositing of estimated inheritance taxes with the Clerks of the Court to await a final determination of inheritance tax. At the time of his audit the Legislative Auditor concluded there was approximately 1.3 million dollars on deposit with the 56 trust funds, and that since the inheritance tax is a State tax, the State was losing interest on these amounts. A review by this office indicates these deposits should be made on a quarterly basis rather than on a monthly basis as suggested by the Legislative Auditor because of the tremendous number of refunds involved and the additional cost of record maintenance in accounting for these funds.

14. *Statutory authority should be established to regulate the right of access to safety deposit boxes in the State, and that this authority include those boxes held both individually and jointly.*

◦◦◦ Safety deposit boxes are presently being opened and the contents removed with little or no records maintained as to the contents of the box or who removed the contents. In many instances the property completely escapes taxation by this Board and there is no way to trace the property.

15. *The Store License renewal deadline should be changed from March 1 to January 1.*

◦◦◦ The intent of the present law was to provide a two-month grace period (January 1 through February 28) for the Board of Equalization to issue store licenses. However, the end result has been a two-month delay in receiving the applications and the greater possibility that store owners will fail to send in the renewal application and thus be subject to the delinquent fee of double the normal fee.

ANALYSIS OF PROGRAMS

PROGRAM ► GENERAL ADMINISTRATION Cost \$163,104

◦GOALS

Provide adequate personnel and fiscal administration to permit the Board to effectively carry out its responsibilities.

◦OBJECTIVES

Provide adequate personnel and financing to carry out the functions of the Board of Equalization and to provide adequate accounting and measure efficiency.

Resolve taxpayers' differences with taxing officials by offering them a due process hearing, which they may utilize at lower cost and with less formality than in the courts either with or without the services of an attorney, while rendering decisions that will contribute to uniformity and equity in assessment.

To collect all legal tax due and account for the funds as efficiently as possible.

◦ACHIEVEMENTS

*Advanced preparation was made to provide a course of real estate assessment to State Assessors and numerous county employees. The course, entitled "Real Estate Assessment and Evaluator Training", will be conducted in September 1970. Partial funding for the course was obtained from this Department, however, the majority funding was obtained from a University grant.

*Tax assessments made by this agency during the year accounted for 25 per cent of the taxable value of the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Inter-county properties assessed:		
Railroads	7	Stable
Power lines	4	Stable
Telephone lines	6	Stable
Telegraph lines	1	Stable
Pipe lines	12	Stable
Airlines	4	Stable
R.E.A.	23	Stable
R.T.A.	8	Stable
Mine tax net proceeds audited	1,092	Increasing
Total inter-county property assessment	\$461,138,340	Stable
Additional license taxes administered	15	Increasing

PROGRAM ► PROPERTY TAX Cost \$ 90,833

◦GOALS

Accomplish equalization in assessment between individual taxpayers, between types of property and between counties.

◦OBJECTIVES

Expand sales-ratio studies and expand the appraisal program to achieve adequate real estate appraisal in the counties.

Upgrade the industrial appraisal capabilities so that such property will be appraised and assessed legally and equitably compared to other property.

◦ACHIEVEMENTS

*Cost manuals, pricing schedules and an assessor's handbook have been published and distributed to all counties by this Board.

*A great degree of uniformity in the assessment of taxable properties in Montana has been accomplished in the past ten years.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► INCOME AND CORPORATION LICENSE TAX Cost \$591,033

°GOALS

Collect the legal tax due from all taxpayers and account for the funds collected as efficiently as is consistent with uniform treatment of taxpayers.

°OBJECTIVES

Fairly administer Income Tax and Corporation License Tax Laws according to the terms of the statutes and policy established by the State Board of Equalization, to the ultimate end that all taxes legally due are collected and properly accounted.

Eliminate delinquencies in filing returns and encourage voluntary compliance of tax laws by all taxpayers.

Minimize the number of incorrect returns to the ultimate end that every taxpayer pays no less or no more than the tax legally due.

Collect, for deposit into the State Treasury, all assessed tax not paid by its due date, to the ultimate end that every taxpayer discharges his legal tax liability.

Process "refund returns" for issuance of refund checks by the State Auditor's Office at the earliest possible date after verification of the refund claimed. The target date for processing all current year refunds is June 15.

°ACHIEVEMENTS

*In addition to adjustments made in approximately 20,000 returns examined by us, we adjusted 3,719 additional returns on the basis of Federal audit reports. Total deficiency tax collections from personal returns and corporation returns amount to \$735,060 for the fiscal year.

*Over 155,000 claims for refund were processed. Approximately two-thirds of these returns are processed between the April 15 due date and June 15. The only current year refund returns not processed at the close of the fiscal year are those requiring audit.

*The collection division program has been able to cope successfully with an increased workload. During the fiscal year it worked 1,609 field cases, 9,447 office cases, resulting in collections of \$296,653 in delinquent taxes, most of which involved personal income tax.

*Revenue loss attributable to uncollectable employer accounts during the fiscal year was negligible. All employer accounts have been balanced and audited for the fiscal year ended June 30, 1969.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Collection division cases worked:		
Field	1,609	Increasing
Office	9,447	Increasing
Amount collected:		
Field	\$122,517	Increasing
Office	\$174,136	Increasing

PROGRAM ► MOTOR FUEL TAXES.....Cost \$193,612

°GOALS

Collect all motor fuel taxes, as provided by law, in a legal, equitable and efficient manner.

°OBJECTIVES

Continue updating the tax reporting procedures and to adopt uniform legislation and regulations with other states to facilitate proper filing of tax reports and proper payment of taxes due and to continue and further cultivate an active audit examination program to assist in these same areas.

Properly inform and assist refund claimants in filing their claims in the manner prescribed by law, and to encourage the maintenance of proper records by eligible refund claimants.

°ACHIEVEMENTS

•Through our efforts, the last Legislative Assembly successfully enacted the Distributor's Gasoline License Tax Act that now provides for tax-free exchanges of gasoline between licensed distributors and the governmental exemption certificate provision was repealed by the new Act. With the repeal of this provision, Montana should not be faced with the possibility of a lawsuit by the Federal Government as occurred in the State of Mississippi which offered a similar exemption to its agencies and not to the Federal Government.

•New refund procedures were implemented, which provide more flexibility in the areas of invoice requirements and filing and licensing procedures by the distributors, dealers and claimants.

•During the fiscal year 464 accounts of 22,483 accounts were contacted in the field for audit examinations which resulted in tax deficiencies, including penalties and interest, of \$225,120. In addition, audit examinations conducted in the office accounted for \$261,899 in tax deficiencies, penalties and interest, for a total figure attributable to the audit examination program of \$487,020.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Gasoline refund claims processed	12,333	Decreasing
Distributor gasoline tax collected	\$25,971,716	Increasing
Diesel tax collected	\$ 4,733,978	Increasing
Liquid Petroleum Gas tax collected	\$ 54,243	Increasing
Fee collections:		
Wholesale bulk gasoline dealers	\$ 788	Increasing
Gasoline refund claimants	\$ 2,680	Increasing
Aviation users and dealers	\$ 790	Increasing
Trip permit fees	\$ 172,860	Increasing
Penalty and interest collections:		
Gasoline distributors' license tax	\$ 5,877	Increasing
Diesel fuel dealers and users	\$ 72,683	Increasing
Liquid Petroleum gas dealers and users	\$ 1,858	Increasing
Special fuel permits issued to intrastate and interstate carriers	57,965	Increasing
Refund processed:		
Gasoline tax	\$ 1,831,127	Decreasing
Special fuels	\$ 63,922	Increasing
Allocations made:		
Aeronautics	\$ 338,318	Increasing
State parks	\$ 155,830	Increasing

PROGRAM ► INHERITANCE TAXES..... Cost \$ 36,320

◦GOALS

Supervise the administration of the Inheritance Tax Laws to assure that the State Inheritance Tax Program is carried out efficiently and effectively.

◦OBJECTIVES

Increase the effectiveness of Inheritance Tax Laws, auditing of tax files; utilization of prescribed forms in use; and continue to maintain control over the collection of inheritance taxes by county and the State Treasurer to insure proper depositing procedures.

◦ACHIEVEMENTS

*An accounts receivable system, which sets up at the end of each month the amount due and owing in inheritance taxes throughout the State of Montana was placed into operation. In order to make this system operational, it was necessary to request the 56 county treasurers to report to this office on a monthly basis rather than the previous quarterly basis.

*The department took over the Receipt Book portion of the duties of the State Treasurer's Office. This includes the issuance and accounting for all inheritance tax receipt books.

*More than \$200,000 in inheritance taxes were collected through litigation at both the District and Court level.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Total collections	\$4,233,429	Increasing

PROGRAM ► STORE AND TOBACCO LICENSE TAXES..... Cost \$ 77,310

◦GOALS

Effectively control and collect all store and tobacco tax revenues due the State.

◦OBJECTIVES

Assure that each business (retail or wholesale), as required by the very broad and all-inclusive definition of a store, applies for, pays the proper license fee, is issued and properly displays, a Montana store license.

Assure that every individual or business selling cigarettes (retail or wholesale), either over-the-counter or through cigarette vending machines, applies for, pays the proper license fee, is issued and properly displays, a Montana cigarette license and vending machine decals.

Assure that each individual or business selling cigarettes collects at least the minimum price as determined by the Board of Equalization according to the formula prescribed by law.

Assure that every individual or business receiving unstamped cigarettes complies with all aspects of the law including transportation, warehousing, payment of cigarette tax, and affixing of insignia.

Assure that the tobacco products tax is paid on all tobacco products, except cigarettes, sold in this State.

◦ACHIEVEMENTS

*Store licenses issued during the reporting year increased by 817 to 12,440, or a 7 per cent increase over the previous fiscal year. Fees collected for the same period increased by \$14,841 to \$215,429. This increase was due to increased office audit on chain store license fees and the use (about one-third of the time) of the Cigarette License Investigator in obtaining delinquent and new store licenses.

*The Store License Section initiated a letter program for delinquent 1970 store licenses which resulted in collection of 50 per cent of the indicated non-renewals. This program enabled the field investigator to spend a greater percentage of his time working new accounts.

*A form was designed which combined the cigarette application and license into one document. This reduced the Data Processing Center printing requirement and reduced by 50 per cent the number of times each application/license was handled by this office.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of store licenses issued	12,440	Increasing
Number of annual cigarette licenses issued	3,186	Increasing
Cigarette tax collections	\$5,844,687	Decreasing
Tobacco products tax collected	\$ 210,391	No trend established
Cigarette license fees collected	\$ 25,765	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	FISCAL MANAGEMENT	2
ADMINISTERING AGENCY	▶	DEPARTMENT OF LANDS AND INVESTMENTS	0413
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide proper administration of lands granted to the State and the State funds entrusted into its care to the best interests of State schools and institutions and for the attainment of other worthy objects in the best interests of the State.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Central Management		\$231,620
01	State Lands Administration		96,101
02	Resource Development and Conservation		104,436
▶	TOTAL		<u>\$432,157</u>

OVERVIEW

During the fiscal year virtually every facet of Department operations was reviewed and the work processes were analyzed. A comprehensive Legislative Audit was completed showing the need for modernization and reorganization.

The Department has been restructured; priorities are being established, and better management is being emphasized. An inventory of the grant land resource is underway. A thorough overhaul of State investment practices, including centralization of responsibility, is urgently needed.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. An effective, central investment authority should be immediately established.

ooo The State of Montana has a pressing need for an effective centralized investment authority. Because of the lack of this authority, the State is losing considerable revenue. An effective investment authority that evaluates and modifies present investment practices, as necessary, should provide the optimum management of State funds resulting in an increase of revenue to the State.

2. Greater authority should be provided the State Land Commissioners to cancel leases for violations without first obtaining the permission of the Land Board.

ooo Present lease cancellation procedures are cumbersome and time consuming and, therefore, are rarely utilized. Extended administrative authority would permit timely executive action of lease violations resulting in an overall improvement in the management of State lands.

3. Fees set by statute for Departmental services should be eliminated, giving the State Board of Land Commissioners authority to set fees at appropriate levels.

ooo The fees charged for various services performed by the Department are presently set in most cases by statute. The actual cost of processing a lease, for example, far exceeds the statutory level of \$2.50. Fees should properly reflect the value of the service, and the cost to the General Fund. A fee level commensurate with actual cost would return an additional \$80,000 annually to the General Fund.

4. Additional funds should be appropriated (\$23,000) annually to hire a qualified accountant, a research assistant and a clerk-stenographer.

ooo The present record keeping system is antiquated. Implementation of an effective system is vital for efficient management of State funds and investments. An accountant is needed to implement and administer an effective accounting system. A research assistant is needed to codify land board policies, draft adequate rules and regulations covering all uses of State land, and institute the necessary action to perfect title to State land. Assistance is needed in checking lease information to insure accuracy and full return to the State.

5. An additional \$8,500 should be appropriated annually to hire a deputy field agent to assist in appraisals, and to take responsibility for completing the selection of nearly 20,000 acres of grant land still due the State.

ooo Currently, each tract is appraised before a lease is renewed to insure that the resources are being properly utilized and the return is maximized. Additional supervision is urgently needed on mineral leases to ascertain production and ecological factors. Further, an additional person is needed to complete the Indemnity Lieu Selections for the common school grant in cooperation with Bureau of Land Management personnel. After completion of the selections, the deputy field agent would return to regular field duties.

6. Section 81-204, R.C.M. 1947, should be amended to delete the requirement to issue receipts.

ooo This section requires that a receipt be issued for all payments received by the Department. This requirement has proven to be costly to the State and serves no meaningful purpose. The statute should be amended, deleting this requirement in its entirety. Receipts should only be issued when specifically requested by the payor.

ANALYSIS OF PROGRAMS

PROGRAM ► CENTRAL MANAGEMENT Cost \$231,620

◦GOALS

Effectively administer lease and lease renewal agreements of State lands including surface leases, mineral leases, agricultural leases, and grazing leases, receive, process and distribute all revenues from State lands.

◦OBJECTIVES

Improve management by establishing clear lines of responsibility and the development of written Department policies and regulations governing the use of State land.

Update the accounting procedures and money receipts system.

Eliminate the present hand posting of approximately 8,400 surface leases by the use of machine posting.

◦ACHIEVEMENTS

*The mineral leasing and royalty reporting systems are in the process of being revised.

*More than \$50,000 of unpaid rentals and royalties have been collected.

*A new regulation was established for more rapid payment of the first year's rentals following an oil and gas lease sale.

*An inventory of the mineral rights on all grant lands is in progress and a separate index card system to such lands is being compiled for the use of the mineral leasing section and potential lessees of mineral rights.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Payments processed	\$10,531,013	Decreasing*

*Fluctuation of income results from good and bad years for crops due to weather and to the bonuses bid by potential purchasers of oil and gas leases.

PROGRAM ► STATE LANDS ADMINISTRATION Cost \$ 96,101

◦GOALS

Accurate and effective appraisal and field supervision of all grant lands including appraisal for sales and rights of way, except on those lands classified as being principally valuable for timber.

◦OBJECTIVES

Determine, by field inspection, the characteristics and best use for 4½ million acres of State land.

◦ACHIEVEMENTS

*Through cooperation with the Fish and Game Department, two part time district offices were consolidated with existing Fish and Game Offices, permitting a full-time service to the public at considerable savings to the State (\$2,020 annually).

*The land appraisal forms have been revised to more adequately demonstrate the need for a comprehensive inventory of the grant land resources.

*All existing surface and sub-surface lease forms were reviewed to insure that adequate environmental safeguards are contained in the lease agreement with the lessees. The lease forms for future leases were modified to include these safeguards.

*Requests for right of way easements and for borrow and gravel permits were individually evaluated to insure that the school funds are fairly compensated.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Leases reappraised	1500	Stable
District Offices maintenance costs	\$3,231	Decreasing

PROGRAM ► RESOURCE DEVELOPMENT AND CONSERVATIONCost \$104,436

◦GOALS

Develop and improve the State's grant lands for increased monetary returns to the trust funds and, restore and preserve the lands to optimum potential.

◦OBJECTIVES

The prime objective is to complete a file of aerial photos and then compile the inventory information through programming or mapping to provide a ready reference.

Before grant lands can be utilized to the maximum advantage, each tract must be evaluated and classified.

Grant funds, as provided by law, will be invested in specific development projects to improve and increase the revenue for the trusts.

A high priority is placed on obtaining water for grant lands by appropriation, i.e., filing water-right claims, or purchase. Water is scarce now and will be even more difficult to obtain in the future. As soon as possible, river and drainage-ways will be examined for possible projects in all counties to obtain water for lands.

There are many islands in navigable rivers to which the State may claim title. The number of such islands will be determined as well as the acreage contained in each. If necessary, survey and quiet title actions will be used to perfect the State's claim.

◦ ACHIEVEMENTS

*The Resource Development and Conservation program is in its planning stage. The largest strides have been made in getting the program started. Techniques of other agencies such as the U.S. Bureau of Land Management, Soil Conservation Service and the State Water Conservation Board have been evaluated to ascertain this program will not duplicate their services. Information and techniques of other agencies have been made available to this office.

*A working relationship has been established with the Fish and Game Department to better protect wildlife habitat.

*A written memorandum of understanding, has been developed with the State Soil and Water Conservation Districts. Preliminary information requests for development are transmitted to the Area Conservationist of the Soil Conservation Service who, in turn, directs the request to the proper Soil and Water Conservation District office. If feasibility is proven, the Soil Conservation Service provides the engineering required on all leveling, water-spreading and similar type projects. The Soil Conservation Service and the Land Department execute a written agreement for each project stating responsibilities of each agency. The utilization of SCS engineering personnel keeps department engineering costs to a minimum.

*The Land Board adopted a water policy in which Resource Development funds may be used to pay principal or construction costs toward making water available to grant lands; operation and maintenance will be paid by the lessee. In this way water will be attached to State land and the fund will benefit from increased productivity when water is applied to the land.

*Proposals (300) for projects in 50 counties were submitted, 87 were evaluated. Of the 87 evaluated, seven were approved by the Land Board. Two projects contracted in F/Y 69 were completed; two current projects were contracted and completed during the year; four projects are presently under contract; and two are in engineering. One project approved by the Land Board was rejected prior to being contracted because of excessive cost estimates.

*A land leveling project completed in McCone County at a cost of \$42,264, increased the rental return from \$0.77 to \$12.00 per acre per year with a projected pay-out period on the investment of 14 years. A range renovation project completed in Madison County at a cost of \$4,320, increased the rental returns from \$0.15 to \$0.60 per acre per year with a pay-out period of 11.2 years.

*Approximately 19 potential title clarification tracts are on file in this office. Two are presently in litigation.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Projects evaluated	87	Increasing
Projects approved	7	Increasing
Projects pending	10	Stable
Funds invested in completed projects	\$73,324	Increasing
Funds obligated	\$27,059	Decreasing
Contracts in engineering phase	\$21,000	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT	1
ADMINISTERING AGENCY	▶	BOARD OF EXAMINERS	0411
Administering Agency's PRINCIPAL GOAL(S)	Provide centralized administrative decision making and support necessary to effectively carry out the functions and duties of the executive branch of State government.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Examination and Review		\$ 55,496
01	Extradition and Transportation of Prisoners		28,066
02	Fire and Casualty Insurance		341,057
03	Interim Projects		51,754
▶	TOTAL		<u>\$476,373</u>

OVERVIEW

Of greatest concern to the Board of Examiners is the development and implementation of more effective personnel administrative procedures. Those presently utilized are weak and restrict the Board's effectiveness in this area. Otherwise, the Board has effectively discharged its diversified program responsibilities.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *A more positive means of coordinating and controlling payroll adjustment requests must be developed and implemented.*

°°° There is a need to modify the present procedure requiring agencies to submit a payroll change form directly to the Central Payroll Division and a salary worksheet form to the Board of Examiners. The present system does not allow proper audits on the separate requests as the two procedures operate independent of each other. Under this system, it is possible for the payroll change to be made prior to, or in the absence of, any approval action by the Board of Examiners. In addition, this system has no audit on an agency that may make the decision to expand its work force or promote employees if it fails to submit the salary worksheet to the Board of Examiners. It is doubtful that this action would be detected if the agency utilized unfilled position money and did not exceed its personal services appropriation.

ANALYSIS OF PROGRAMS

PROGRAM ► EXAMINATION AND REVIEW..... Cost \$ 55,496

◦GOALS

Effectively examine, review, and process all administrative requirements for which the Board of Examiners are responsible.

◦OBJECTIVES

Provide for a more efficient administrative operation by continually updating examination and review techniques.

◦ACHIEVEMENTS

*Several of the functions performed in this Board relate to the consolidation and payment of insurance premiums and travel company bills where transportation has been purchased by State of Montana Transportation Requests. To upgrade the services performed by the Board and to facilitate payment of these requests, an "Insurance Premium and Transportation Payments Revolving Account" was established. This allows the State Auditor to mail all warrants directly to the vendors rather than requiring this Board to collect all warrants and remit them when the total has been collected. During the fiscal year, approximately 1,450 Inter Agency Claims were processed in collecting these charges and over 260 transportation and insurance bills were paid.

*State-wide, uniform coverage was obtained for all departments owning automotive equipment. This constitutes a fleet in excess of 5,000 units. In this connection, bidding specifications were drawn; equipment lists and bid forms provided; bids were secured and insurance awarded to the low bidders.

*In connection with automobile insurance, a current inventory is maintained of all department vehicles except those of the Montana Highway Commission. All accidents have been coordinated through this office and loss records maintained.

*We requested all State agencies to review their property insurance coverage policies to determine and eliminate any duplicate coverage between agencies.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Bonds issued	\$5,613,717	Increasing
Architect/Engineer appointments issued	27	Increasing
Construction project bids opened	63	Varies
Inter Agency claims processed	1,450	Increasing
Transportation and insurance bills paid	260	Varies
Construction contracts awarded	31	Varies
Transportation claim refunds processed	360	Varies
Board meetings	15	Stable

PROGRAM ► EXTRADITION AND TRANSPORTATION OF PRISONERS. Cost \$ 28,066**◦GOALS**

Provide effective administrative support necessary to properly carry out extradition and transportation of prisoners in the State.

◦OBJECTIVES

Clarify present law enforcement extradition procedures to permit claims from various law enforcement agencies to be processed in a minimum amount of time.

◦ACHIEVEMENTS

*Approved and processed travel claims for State law enforcement agencies amounting to \$28,564. These claims were for transportation expenses incurred while either taking a prisoner to the State Prison at Deer Lodge or returning a fugitive to Montana from another state after approved extradition.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Law enforcement travel claims processed	274	Varies

PROGRAM ► FIRE AND CASUALTY INSURANCE. Cost \$341,057**◦GOALS**

Provide for the protection of the State's investment in property.

◦OBJECTIVES

Assure that the property of the State of Montana has the best coverage available at the most favorable rates obtainable.

◦ACHIEVEMENTS

*Implementation of an agency mandatory fire inspection check list has resulted in fewer fire losses of State property.

*Provided statistical information to the Legislative Sub-Committee on Self-Insurance and the Bureau of Business Research to aid them in their studies of a self-insurance proposal.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
State buildings appraised	339	Increasing

PROGRAM ► INTERIM PROJECTS. Cost \$ 51,754

◦GOALS

Provide effective support necessary to carry out administrative duties as directed by the Legislature.

◦OBJECTIVES

To increase the efficiency of the administrative processes for which the agency is responsible and assure strict adherence to State statutes.

◦ACHIEVEMENTS

*During the fiscal year we processed various claims totaling \$41,568.

*Provided for the payment of claims for contracted services to repair and maintain House and Senate roll call and sound equipment.

*Approved and processed \$19,319 in claims submitted by the Constitution Revision Commission (an entity separate from the Board of Examiners).

*Approved and processed claims submitted by the Montana Veterans' Administration for contracted services amounting to \$6,000.

*Provided annual payment for land acquired for Montana State University to be used as an Agriculture Experiment Station.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Claims approved and processed for the Constitution Revision Commission	156	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	STATE EXAMINER	0406
Administering Agency's PRINCIPAL GOAL(S)	Prevent misuse, waste, inefficiency, or embezzlement in the handling of public funds and protect against loss to the general public which might result from the insolvency of financial institutions.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Supervision and Examination		\$387,217
▶	TOTAL		<u>\$387,217</u>

OVERVIEW

The development and implementation of an effective program to serve the public in the State is of greatest concern to the State Examiner. The present program is extremely weak and restricts our effectiveness.

During the fiscal year, we have made every effort possible to fulfill our obligations to the public. However, inadequate funding has restricted our efforts. Because of this, our service to the public is not as adequate as it could be if more funds were provided to allow us to increase our effectiveness. The State Examiner's function should be completely evaluated and upgraded in all areas to allow us to effectively discharge our responsibilities.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Our appropriation should be increased to \$1,352,000 for the 1973 biennium to hire an additional 13 field examiners and an additional stenographer.*

ooo A serious problem which, in effect, is causing recognized deficiencies in the execution of the Supervision and Examination Program is the lack of sufficient funding. For example: we are unable to compete with private industry in the acquisition of well-qualified personnel. Our restrictive salary schedules cause far more terminations of field examiners than can be satisfactorily replaced, either in numbers required or desired level of competence. We are not adequately staffed to even approach meeting the responsibility of conducting the examinations required by Montana Statutes. Also, inadequate funding prohibits the possibility of performing many needed functions, such as: improving the training programs for our examiners;

providing modernization of accounting methods for political subdivisions, reviewing pertinent laws for recommended updating to present technology and standards; exercising adequate supervision of field examination procedures and performance; and having available personnel to consult with officials in the field when so requested or required.

ANALYSIS OF PROGRAMS

PROGRAM ► SUPERVISION AND EXAMINATION..... Cost \$387,217

◦GOALS

Prevent misuse, waste, inefficiency, or embezzlement in the handling of public funds and protect against loss to the general public which might result from the insolvency of financial institutions.

◦OBJECTIVES

Acquire, train and adequately supervise a competent, well-organized staff of field examiners who can effectively evaluate the operations of the entities under its supervision and can conduct the examinations required by Montana Statutes in a manner consistent with nationally accepted standards.

Improve the performance of the program by making all of the required 835 annual examinations.

Have additional qualified personnel available for prompt consultation in the field with the supervised agencies relative to accounting procedures, unusual problems and fiscal accountability.

◦ACHIEVEMENTS

*Partly due to our efforts, no financial institutions became insolvent during the fiscal year.

*Obtained professional services of the national accounting firm of Ernst and Ernst for the purpose of reviewing the duties and responsibilities of the Municipal Division.

*Developed standard examination reporting formats for counties, cities and towns.

*Initiated plans for developing uniform accounting and reporting system manuals for counties, cities and towns.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND*</u>
Municipal examinations conducted		
County	28 of 56	Decreasing
City and towns	87 of 126	Increasing
Schools	224 of 224	Stable
Fire relief associations	77 of 107	Increasing
Rural fire districts	60 of 90	Increasing
Irrigation districts	31 of 45	Increasing
Banks examined	69 of 86	Decreasing
Savings and loan associations examined	6 of 6	Stable
Credit unions examined	23 of 23	Stable
Consumer loan licenses examined	70 of 70	Stable

*Trend in ability to perform required examinations.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	GENERAL ADMINISTRATIVE SUPPORT	1
ADMINISTERING AGENCY	▶	JOINT MERIT SYSTEM	0417
Administering Agency's PRINCIPAL GOAL(S)	Provide effective personnel management services for all State agencies utilizing the Merit System.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Personnel Services		\$ 52,257
▶	TOTAL		<u>\$ 52,257</u>

OVERVIEW

During the fiscal year the number of persons recruited and examined for State jobs increased by approximately 15 per cent over the previous year. Especially large increases were noted in applications from college graduates seeking professional jobs.

A major problem area we are experiencing is the shortage of staff, making it almost impossible to handle the increased workload. Additional professional and clerical help is needed to do a more effective job in all phases of recruitment and examination and to re-establish a system of verification of previous experience of applicants who are considered for employment.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funding should be appropriated to obtain personnel to facilitate handling increasing workload.*

ooo During the past year we have experienced an increase in our overall workload which has decreased the effectiveness of both the professional and the clerical functions. The amount of annual

appropriation required to increase our staff adequately would include an additional \$19,053 for the biennium.

ANALYSIS OF PROGRAMS

PROGRAM ► PERSONNEL SERVICES Cost \$ 52,257

◦ GOALS

Provide effective personnel management services for all State agencies utilizing the Merit System.

◦ OBJECTIVES

Make available and administer examinations to all qualified persons seeking State employment in Merit System agencies and to secure the best qualified persons for State jobs.

◦ ACHIEVEMENTS

*Merit System examinations for high school students were given in 73 high schools for 1,062 applicants for entrance level clerk, typist, and stenographer positions. This compares with 898 applicants in 1969 in 61 high schools.

*The number of applications received and reviewed for positions within the Merit System increased 15 per cent over the previous year. This increase can be attributed to the greater demand for entrance level professional positions.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Applications reviewed	6,691	Increasing
Examinations administered	6,120	Increasing
Performance examinations administered	2,120	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	COMMISSION ON AGING	0702
Administering Agency's PRINCIPAL GOAL(S)	Provide effective statewide planning, coordination, and evaluation services relative to the needs of all senior citizens of Montana.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Services to the Aged		\$208,746
▶	TOTAL		<u>\$208,746</u>

OVERVIEW

Following the requirements outlined in Title III of the Older Americans Act, we have expanded programs relating to statewide planning, coordination, and evaluation in behalf of senior citizens residing in the State. Progress has been reflected in the release of a monthly publication through which we can eventually reach all senior citizens in Montana. Close cooperation with other State agencies, such as the Department of Public Welfare, Employment Security Commission, and the State Planning Board, has been solicited and received to attain these objectives.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. A planner be acquired to assist the Commission on Aging prepare for the 1971 White House Conference on Aging.

ooo The administration on Aging, in its guidelines for the operation of this agency, has recommended a continuing planning program which will make it possible to anticipate future needs of senior citizens. This applies to the persons who will enter the senior citizen ranks in the next few years. Also, because Montana is expected to play a major role in the 1971 White House Conference on Aging, we need to add a Planning Specialist to our staff. The Institute for Social Science Research of the University of Montana has offered to assist us in obtaining a fully-qualified Planner. The University will provide in-kind services up to 25% of the cost of maintaining the Planner. The remainder will be matched by Federal funds. At the suggestion of the Governor's office, this Planner will be attached to the staff of the State Planning and Economic Development Department. The Planning Board is in full accord with the method

of securing a Planner.

2. Continued funding of the program be provided.

◦◦◦ The fiscal year 1970 Federal fund allotment to the Montana Commission on Aging for financing projects was \$104,400. This was a reduction of approximately \$67,000 from the previous fiscal year. As a result, the Commission was able to maintain only those projects for which it was obligated to continue funding for the second or third year. While it is regrettable that we were unable to initiate any new projects, we feel that the projects we have financed have been highly successful and warrant continued funding.

3. Provide additional funds to permit the distribution of "The Senior Citizen News" to be increased to 70,000.

◦◦◦ The first year publication of The Senior Citizen News has received such favorable acceptance, we feel that a copy should be sent to every senior citizen in the State. Additional State funds will be needed to match Federal funds on a three to one ratio.

ANALYSIS OF PROGRAMS

PROGRAM ► SERVICES TO THE AGED.....Cost \$208,746

◦GOALS

Provide effective statewide planning, coordination, and evaluation services relative to the needs of senior citizens of Montana.

◦OBJECTIVES

To further encourage older persons to participate in programs designed for their common welfare. Provide for the establishment and maintenance of adequate facilities in urban areas to furnish senior citizens with social and educational activities.

◦ACHIEVEMENTS

•During the fiscal year 1970, the ratio of Federal money allocated for administrative purposes was changed from a one-to-one basis (up to \$25,000) to a three-to-one basis (up to \$75,000). Because the last legislature appropriated only \$13,600 for each year of the current biennium, the Commission was unable to take advantage of the full matching allowance. However, in spite of this we were able to increase our staff by the addition of an Administrative Officer, a full-time Field Representative, an Information Specialist and an Accounting Clerk-Typist. With the additional staff it was possible to increase our field contact with all of our projects, and we have had much better control of project operations, particularly in reference to their financial and fiscal procedures.

•Senior centers have been established which provide not only recreational activities, but also the means of getting older persons involved in other desirable areas such as health, housing, employment, nutrition, and transportation.

•The publication of "The Senior Citizen News", commencing with the month of March, 1970, was a major achievement. The circulation was set at 2,000 copies for the first few issues. An increase to 10,000 copies is planned during the fiscal year 1971. This will be accomplished through financial participation of the Department of Public Welfare for the purpose of reaching about 3,000 old age recipients.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Circulation of Senior Citizen News Magazine	2,000 monthly	Increasing
Participation penetration	18,000 of 70,000	Increasing
Senior Centers	14	Increasing
Hearing Aid Projects	1	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	COORDINATOR OF INDIAN AFFAIRS	0426
Administering Agency's PRINCIPAL GOAL(S)	<p>Assure that the best interests of the Indians will be served by the fostering of a program, which is designed to establish and place our Indian citizens in a position whereby they will be able to take their rightful place in society, and assure the rights, duties, and privileges of full citizenship.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Indian Affairs		\$ 22,108
▶	TOTAL		<u>\$ 22,108</u>

OVERVIEW

Significant progress has been made in developing cooperation between the Indian population through the Inter-Tribal Policy Board and numerous State and Federal agencies.

Future plans include strengthening our existing program to provide more positive direction, in the areas of housing, economic development and medical assistance to those Indians living off reservations. To effectively handle the resultant workload, our staff must be increased.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Funds should be appropriated to provide for additional staff.*

ooo Additional staff is needed to assist in providing more effectively administered programs in the future.

ANALYSIS OF PROGRAMS

PROGRAM ► INDIAN AFFAIRS..... Cost \$ 22,108

°GOALS

Assure that the best interests of the Indians will be served by the fostering of a program, which is designed to establish and place our Indian citizens in a position whereby they will be able to take their rightful place in society, and assume the rights, duties, and privileges of full citizenship.

°OBJECTIVES

Assess the problem of all Indians, to include those who reside off the reservations, and to seek ways and means of communicating their opinions and needs to agencies of responsibility; act as representative and spokesman for Indian organizations whenever such assistance is required, and solicit rehabilitation loans, educational funds, economic assistance, and housing funds from various sources for the purpose of enabling deserving Indians to become self-sufficient.

°ACHIEVEMENTS

*Provided joint assistance with the Crime Control Commission to secure Law Enforcement Agency Funding totaling \$46,380. These funds were used for providing law enforcement training to tribal police officers on two reservations.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of projects successfully funded	2	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	GENERAL GOVERNMENT	1
MAJOR PROGRAM AREA	▶	INTERGOVERNMENTAL RELATIONS	3
ADMINISTERING AGENCY	▶	VETERANS' WELFARE COMMISSION	0420
Administering Agency's PRINCIPAL GOAL(S)	To promote the general welfare of all qualified veterans and their families.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$153,351
▶	TOTAL		<u>\$153,351</u>

OVERVIEW

Numerous veteran and veteran dependent contacts have been made and processed. A substantial number of claims have been filed with the Federal Veteran's Administration. Veterans returning to Montana from the Vietnam conflict have increased our workload enough to warrant the establishment of an additional field office to adequately provide services throughout the State.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. An additional \$14,000 annually should be appropriated to open a service office in Havre.

ooo Currently there is no local service office between Kalispell and Wolf Point. The service officer in Wolf Point travels as far west as Malta. Localities from Chinook to Browning are served by the

service officer from Great Falls. There are many Vietnam veterans attending Northern Montana College at Havre who are not being conveniently serviced. This, in addition to the number of veterans in the triangle area from Great Falls northward who cannot be served, evidences inadequate services provided. A resident service officer in Havre could provide better service to veterans.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION.....Cost \$153,351

◦GOALS

To promote the general welfare of all qualified veterans and their families.

◦OBJECTIVES

Assist clients in applying for compensation, pension, hospitalization, education, and loans in the form of benefits administered by the Veterans' Administration.

◦ACHIEVEMENTS

The increasing work load resulting from the influx of veterans of the Vietnam conflict has been effectively handled within available resources.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Contacts Made	40,196	Increasing
Claims Filed	3,373	Increasing
Legal Documents Processed	3,855	Unknown
Financial Assistance Received	\$2,338,009	Unknown

GOVERNOR'S ANNUAL REPORT

Function ► ECONOMIC DEVELOPMENT & REGULATION

Agency	Page
Department of Agriculture	1
Entomologist	24
Board of Furl Insurance	26
Livestock Commission	27
Livestock Sanitary Board	27
Liquor Control Board	28
Milk Control Board	29
Oil and Gas Conservation Commission	29
Board of Railroad Commissioners	30
Abstracters Board of Examiners	109
Board of Architectural Examiners	111
Athletic Commission	112
Board of Barber Examiners	113
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Examining Board of Cosmetology	114
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Board of Food Distributors	120
Board of Hearing Aid Dispensers	122
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Board of Medical Examiners	126
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Board of Nursing	128
Board of Examiners for Nursing Home Administrators	129
Board of Examiners in Optometry	131
Board of Osteopathic Examiners	132
Board of Pharmacy	133
Board of Plumbing Examiners	134
Board of Registration for Real Estate Agents and Land Surveyors	135
Board of Public Accountancy	136
Real Estate Commission	137
Sanitary Board of Canning	138
Veterinary Medical Examiners	139
Board of Registration for Water and Sewerage Operators	140
Waterworks Construction Examiners	141

PROGRAM STRUCTURE		TITLE	
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	LIVESTOCK AND AGRICULTURE	1
ADMINISTERING AGENCY	▶	DEPARTMENT OF AGRICULTURE	0580
Administering Agency's PRINCIPAL GOAL(S)			
	Encourage and promote Montana farmers, ranchers and related businesses.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$112,575
01	Agricultural Statistics		27,135
02	Commercial Feed and Fertilizer		68,219
03	Dairy		64,535
04	Grain Laboratories		217,367
05	Horticulture		149,881
06	Weights and Measures		122,956
07	Wheat Research and Marketing		118,088
08	Marketing Coordinator		4,769
▶	TOTAL		<u>\$885,525</u>

OVERVIEW

During the fiscal year the Department reorganized and strengthened their programs to develop new methods for marketing Montana agricultural commodities and to establish new markets and expand existing markets for agricultural products. Our regulation and inspection oriented programs provided protection for the consumer from harmful, sub-standard agricultural commodities including those imported and exported.

Promoting the economic growth of the agriculture industry in Montana will continue to be of major importance. Coordinating and unifying all of the Department's programs to provide better services to the agriculture industry of Montana and the consumers of its commodities will also be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$750,000) should be appropriated to provide a new building for all divisions of the Department.*

ooo One building for the Department is needed to provide better supervision, increased control, and improved services. In addition, new laboratory equipment for the weights and measure program (valued at \$90,000) will be provided by federal funds if an adequate laboratory is constructed.

2. *Section 3—2401, R.C.M. 1947, should be revised to include the sanitary inspection of dairies, milk plants, condensed milk factories; and Section 3-2402, R.C.M. 1947, should be revised to include the enforcement of the laws of the state regulating the standards of all dairy products and whole milk, skimmed milk, condensed or evaporated milk, whether made from whole milk or skimmed milk.*

◦◦◦ These statutes should be revised to eliminate duplication of effort in regulating the dairy industry. Full authority should be given to this agency to administer, regulate, and apply the official standards for the dairy industry in Montana by deleting the State livestock sanitary board from the above statutes.

3. *Applicable statutes should be amended requiring the annual assessment of two and one half mills per bushel on all wheat grown in the State, and sold through commercial channels to the first purchaser or first lender with the provision that a grower may file a written request for refund less one per cent.*

◦◦◦ The subject annual assessment should automatically be levied and collected at the time wheat is sold. If the grower elects not to participate in the program funded by this assessment, a written request may be filed with the Wheat Research and Marketing Division at any time after thirty days from the assessment date but no longer than ninety days. One per cent of the assessment is withheld by the State to cover applicable administrative costs.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$112,575

◦GOALS

Provide day to day supervision and direction of all programs.

◦OBJECTIVES

Effectively administer the Rural Rehabilitation Laws.

Provide property management, personnel management, and fiscal and accounting systems for the entire Department. Efficiently utilize the Department's manpower, research facilities, and available resources for effective application of all programs.

◦ACHIEVEMENTS

- Consolidated and re-located several field offices to provide identical services at less cost.
- Published and distributed consumer service brochures.
- Devised several new field reporting forms for simplification in reporting and a reduction in reporting costs.
- Organized the ad hoc committee to provide a unified approach to the State's agricultural problems. This committee is composed of representatives from all farmer organizations, the Montana Chamber of Commerce and the Department.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Personnel records maintained	88	Stable
Claims and journal entries processed	1,950	Stable
Agriculture promotional releases	60	Increasing
Commercial feed registrations issued	1,614	Stable
Grain licenses issued	425	Stable
Grain reports processed	2,202	Stable

PROGRAM ► AGRICULTURAL STATISTICS Cost \$ 27,135

◦GOALS

Collect, prepare, and publish county agricultural estimates, wheat quality data (protein, grade, moisture per cent and test weights of grains), county statistics on acreages of wheat varieties, and livestock movements in and out-of-State in cooperation with the Statistics Division of the U. S. Department of Agriculture.

◦OBJECTIVES

Compile and interpret accurate, meaningful statistics measuring agricultural production in the State.

Prepare and publish county and State agricultural statistics for distribution to ranchers, farmers, agricultural organizations, colleges, and other interested parties.

◦ACHIEVEMENTS

•Published a biennial bulletin, "Montana Agricultural Statistics" which includes both State and County statistics on important Montana crops and livestock.

•A Wheat Quality report was published including data on protein, test weight, moisture, and grade distribution by county in August, September, and October.

•Published an annual report showing seeded acres by varieties and county.

•Published a Cattle Movement Report according to month and class movement between counties and out of State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Copies of "Montana Agricultural Statistics" distributed	3,500	Stable
Copies of Wheat Quality Report (monthly) distributed	800	Increasing
Copies of Wheat Varieties Report (annual) distributed	10,500	Increasing
Copies of Cattle Movement Report (biennial) distributed	1,300	Varies

PROGRAM ► COMMERCIAL FEED AND FERTILIZER Cost \$ 68,219

◦GOALS

Provide feed and fertilizer purchaser protection from inferior, hazardous products.

◦OBJECTIVES

Administer the commercial feed and commercial fertilizer laws in a thorough, equitable manner.

Assure that commercial feeds and fertilizers are properly labeled with accurate guarantees of the contents and with adequate instruction for proper and safe usage.

Provide a more rapid reporting of analysis from time of sampling so that regulatory action can be taken, if it is indicated, before the product is consumed.

◦ACHIEVEMENTS

*The atomic absorption spectrophotometer (a joint project for elemental analyses of zinc, manganese, copper, calcium and magnesium on feed and fertilizer samples) was placed into service.

*Random analyses of wheat, fruit, and vegetables were conducted to measure pesticide residues. (Little or no residue content was indicated in the samplings.)

*An Auto Analyzer was purchased to be used initially for the partial automation of the analysis of P205 in fertilizers and phosphorus in feeds.

*A medicated feed plant inspection program, sponsored jointly with the FDA, was implemented.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Feed samples	635	Increasing
Fertilizer samples	585	Increasing
Analysis of samples conducted	7,490	Increasing
Labels inspected	1,300	Stable
Inspection fees verified	400	Stable

PROGRAM ► DAIRY Cost \$ 64,535

◦GOALS

Provide an effective program for regulation and sanitary inspections of all creameries, butter and cheese factories, milk and cream receiving stations, and frozen dessert factories.

◦OBJECTIVES

Continue the existing regulation and sanitary inspection program; adopt new meaningful rules and regulations; and extend the program authority to dairy farms producing milk and cream for manufacturing purposes.

License all egg producers and require proper identification of egg containers.

Test weights and bacteriological qualities of frozen dairy products.

◦ACHIEVEMENTS

- *Effected a cost reduction by selling egg seals from the office rather than in the field.
- *Consolidated reporting forms.
- *Initiated sampling of manufactured grade milk.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Store inspections	510	Varies
Creamery inspections	85	Increasing
Cases of eggs inspected	5,654	Varies
Quality pick up (Bacteriological analysis)	343	Increasing
Bulk tank trips inspected	65	Decreasing
Wholesale butter, oleo inspections	35	Varies
Hatcheries inspected	10	Increasing
Routine bacteriological exams	448	Varies
Butterfat tests	1,475	Varies
Chick dealers inspections	10	Increasing
Gold seal farm inspections	50	Stable
Babcock and egg graders licensed (new)	15	Stable
Counter freezer inspections	410	Varies
Butter, oleo and ice cream weight inspections	9,682	Stable
Seals sold	9,660,000	Increasing
Licenses issued	1,292	Increasing

PROGRAM ► GRAIN LABORATORIES Cost \$217,367

◦GOALS

Provide grain grading, protein testing, sedimentation value and official weighing services for determining market prices between buyer and seller.

◦OBJECTIVES

Provide effective services to the grain industry and evaluate and implement necessary operational changes to continue effective services as the primary mode of transportation changes from trains to trucks.

◦ACHIEVEMENTS

- *Operating costs were reduced by closing the inspection laboratory at Harlowton and transferring the work-load to the Great Falls laboratory.
- *Revised fee inspection procedures.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Box car inspections	20,500	Varies
Sample box car inspections	11,000	Varies
Sample protein inspections (box car)	17,759	Varies
Sample protein inspections (elevators)	24,700	Varies
Malting barley analysis	2,500	Varies
Carloads weighed	9,000	Varies
Sedimentation tests	61	Varies

PROGRAM ► HORTICULTURE Cost \$149,881

◦GOALS

Control the quality (grade and condition) of all local and imported fruits, vegetables, and nursery stock and assist Montana producers in the orderly marketing of these commodities.

◦OBJECTIVES

Realign agency personnel; effect a cooperative program with other agencies; and apply for federal funds available for the program services.

Inspect all imported produce for pesticide residue.

◦ACHIEVEMENTS

*Eradicated barberry in the Bitterroot Valley. Two large diseased fruiting bushes that were discovered could have infected the entire valley with stem rust.

*Enforced the Cherry Fruit Fly eradication. The present worm free crop attests to the success of the project.

*Reduced operating cost by consolidating stations in Glasgow, Lewistown, and Whitehall and by utilizing less costly facilities in Billings and Great Falls.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Vegetables inspected local (cwts)	924,144	Increasing
Containers of imported fruits and vegetables inspected	2,698,316	Increasing
State-Federal certificates issued for exports (carloads)	1,826	Stable
Nursery plants below Montana consumer requirements	1,165	Decreasing
Nursery licenses issued	338	Stable
Wholesale licenses issued	46	Stable
Phytosanitary certificates issued (mostly for Christmas tree exports)	103	Stable

PROGRAM ► WEIGHTS AND MEASURES Cost \$122,956**◦GOALS**

Eliminate fraud and misrepresentation in the use of weights and measures and insure delivery of full weight and measures in all commercial transactions.

◦OBJECTIVES

Provide training for the inspectors by conducting a correspondence course offered by the National Bureau of Standards.

Determine the feasibility of automating the entire record keeping system through a joint study with the National Bureau of Standards.

Devise better controls for the fast growing retail business of pre-packaging commodities.

Provide adequate testing and testing equipment for the growing number of commercial scales and petroleum metering devices.

◦ACHIEVEMENTS

*A training seminar, taught by a member of the National Bureau of Standards, was conducted for inspectors.

*A weighmasters' school, sponsored jointly with the Packers and the Stockyards Division of the U. S. Department of Agriculture, was conducted for auction market and packing plant personnel.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Scales tested	6,285	Increasing
Scales rejected	520	Increasing
Retail pumps tested	4,327	Increasing
Retail pumps rejected	88	Increasing
L.P. Gas Meters tested	162	Stable
L.P. Gas Meters rejected	6	Stable
Wholesale meters tested	904	Increasing
Wholesale meters rejected	97	Increasing
Weights calibrated	735	Stable
Packages inspected	6,289	Increasing
Packages rejected	1,174	Increasing

PROGRAM ► WHEAT RESEARCH AND MARKETING Cost \$118,088**◦GOALS**

Encourage and promote intensive scientific and practical research in all phases of wheat culture and production, marketing and use. Develop markets for wheat grown in Montana.

°OBJECTIVES

Promote favorable freight rates for Montana wheat producers.

Continue the development of wheat markets with particular emphasis in foreign markets.

Continue promoting and sponsoring experimentation in all phases of the wheat industry.

°ACHIEVEMENTS

*Contributed funds totaling \$16,000 to a research project at Montana State University to experiment with winter wheat varieties and breeding.

*Joined the Western Wheat Associates—a marketing organization formed by wheat growers and commissions in four other states. Through this regional organization the commission is able to develop new foreign markets and expand existing markets.

*Proposed a no-frill rate on wheat shipped by rail from eastern Montana to Duluth, Superior and Minneapolis. This proposal could save wheat producers as much as \$500,000.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Waivers processed	50,000	Decreasing
Reports processed	1,980	Stable
Information requests processed	2,400	Stable
Transportation studies	6	Increasing

PROGRAM ► MARKETING COORDINATOR Cost \$ 4,769

°GOALS

Promote effective marketing methods for all Montana agricultural commodities and provide technical assistance to Montana farmers, ranchers, and related businessmen to effectively market their commodities in local, national, and foreign markets.

°OBJECTIVES

Develop and coordinate programs which assist producers and distributors in market development, market expansion and utilization of modern, efficient marketing methods.

Gather, interpret, and publish information concerning supply, consumer demand, favorable marketing trends, prevailing prices and changes in marketing methods, practices and rates.

°ACHIEVEMENTS

*Marketing service programs supported jointly by federal-state matching funds were implemented to collect and disseminate specialized marketing intelligence information for use by Montana producers and buyers of Montana products.

*A referral system for foreign trade inquiries sponsored jointly with the Foreign Agricultural Service was considered and is presently being implemented.

*A Verified Statement of Protests to Export no. 265, concerning the increase rail rates in 1970, was submitted to the Interstate Commerce Commission. Although the statement was unsuccessful in halting rate increases, it was a factor in prompting the I.C.C. to investigate and review the total rate structure.

PERFORMANCE INDICATORS

This program was established by the 1969 Legislative Assembly and the program coordinator was not hired until the last four months of the fiscal year. For this reason no meaningful performance indicators have yet been developed.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	LIVESTOCK AND AGRICULTURE	3
ADMINISTERING AGENCY	▶	ENTOMOLOGIST	0483
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Identify, investigate and recommend necessary actions to prevent economic loss from insects or insect control applications.</i></p> <p><i>Prevent the occurrence and spread of disease among bees and apiaries.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Entomology		\$ 16,558
01	Apiary Regulation		16,054
▶	TOTAL		<u>\$ 32,612</u>

OVERVIEW

A variety of insect species continue to present a problem to both rural and urban citizens of Montana. While some are of concern only periodically, others, like mosquitos, house flies, and the alfalfa weevil need constant attention. Most insect problems can be resolved by reducing the damaging populations below harmful economic levels. Regardless of the means employed to reduce the numbers, the survivors constitute the breeding population for the next generation. For this reason the significance and long-term implications of any control efforts go beyond the immediate killing of an organism. This illustrates the importance of an intensive research program in which research findings can be incorporated into control recommendations to prevent the implementation of emotional, expensive, and wasteful action programs.

As State Apiarist, minimum regulation and maximum education is stressed. Throughout the inspection program, cooperation from the industry has been encouraged in an effort to develop a hardy, thriving Montana bee industry.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide two additional part-time inspectors.*

◦◦◦ Many beekeepers truck bees to California in the winter and back to Montana in the spring. The bees were rented out in California as pollinators. In so doing they were placed side by side with bees from all over the country, many of which carry diseases. All bees brought into the State enter on a so-called "clean bill of health" from the state of origin. In spite of this, one group had 4.75 per cent foulbrood and another had 2.6 per cent. Such incidents point to the need for thorough inspection of all bee importations that currently cannot be effectively provided because of manpower limitations.

ANALYSIS OF PROGRAMS

PROGRAM ► ENTOMOLOGY Cost \$ 16,558

◦GOALS

Maintain an effective research program to provide information which will prevent losses from insect damage and unnecessary use, as well as over use, of pesticides.

◦OBJECTIVES

Advise county agents, pesticide dealers and mosquito control district personnel about proper insect control methods.

Identify and evaluate potential economic loss and recommend proper and legal insect control procedures.

◦ACHIEVEMENTS

*Continued to investigate and advise rural and urban people about current insect problems.

*Assisted in research activities concerning the biology and behavior of rangeland grasshopper species and the control procedures for the alfalfa weevil.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► APIARY REGULATION Cost \$ 16,054

◦GOALS

Prevent the occurrence and spread of disease among bees and apiaries.

◦OBJECTIVES

Establish and enforce, regulations covering acquisitions, sale, and transfer of bee territories; inspect bees and apiary for disease organisms; and provide educational opportunities to encourage cooperative efforts from the industry.

◦ACHIEVEMENTS

*Bees imported to the State during the spring season were inspected. (An increase in infectious disease was noted and is presently a source of concern. Approximately 2,500 imported colonies had to be released from quarantine without inspection because of program limitations.)

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Colonies inspected (total)	12,000	Increasing
Colonies inspected (imported)	5,900	Increasing
Colonies diseased (American Foulbrood)	312	Increasing
Percentage of colonies diseased	2.5	Increasing

PROGRAM STRUCTURE		TITLE	PL
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	LIVESTOCK AND AGRICULTURE	1
ADMINISTERING AGENCY	▶	BOARD OF HAIL INSURANCE	0407
Administering Agency's PRINCIPAL GOAL(S)	Offer low cost insurance protection against losses by hail and other natural factors to Montana grain farmers.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Hail Insurance		\$820,013
▶	TOTAL		<u>\$820,013</u>

OVERVIEW

During the fiscal year we offered better hail insurance contracts with improved adjusting methods to grain growers in the State. The premium volume for the year was \$748,659 and the losses for the season totaled \$296,766. The loss ratio in terms of dollars paid for claims was 40% as compared to a 53 year average of 76%. After all hail losses were paid in full a 36% refund of the 1969 levy was returned to each individual participating in the Hail Insurance Act.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Applicable statutes should be amended to provide fire insurance protection to grain farmers in the State.*

ooo Adding fire insurance to our hail insurance contracts with no increase in rates would definitely give the farmer additional protection. Most private companies writing hail insurance contracts have this added protection. The additional protection would cost the amount of actual fire loss which would not affect the seasonal loss ratio unfavorably.

ANALYSIS OF PROGRAMS

PROGRAM ► HAIL INSURANCE..... Cost \$820,013

◦GOALS

Offer low cost insurance protection against losses by hail and other natural factors to Montana grain farmers.

◦OBJECTIVES

Provide prompt adjustments for losses by competent hail insurance adjusters.

Pay proven losses in full and in a timely manner.

◦ACHIEVEMENTS

*Low cost insurance protection was provided to satisfied policyholders.

*Our relationship with private hail insurance companies improved. Their cooperation is beneficial in determining satisfactory loss adjustments.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Policies sold	2,657	Varies
Acres insured	767,967	Varies
Losses paid	467	Varies
Days with hail	51	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	LIVESTOCK AND AGRICULTURE	1
ADMINISTERING AGENCY	▶	LIVESTOCK COMMISSION	0502
Administering Agency's PRINCIPAL GOAL(S)	Protect, sustain and promote the livestock industry in Montana.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Livestock Inspection and Control		\$657,134
01	Predatory Animal Control		94,080
02	Rabies Control		876
▶	TOTAL		<u>\$752,090</u>

OVERVIEW

During the fiscal year, fifty-five salaried inspectors and three hundred fee paid deputies inspected more than two and one-half million cattle and over twenty-five thousand horses for brands to determine ownership. This volume of livestock has been consistent over the last three years. Stock inspectors recovered for owners 1,450 cattle and 131 horses and, at the sixteen livestock markets, approximately fifteen thousand cattle and horses were held for proof of ownership involving a value of approximately \$1,500,000.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated to increase starting salaries for stock inspectors from \$441 to \$500 per month and to increase the salary of experienced inspectors a comparable amount the first year and a \$25 per month increase the second year.

ooo Recruiting capable, conscientious young men at the present starting salary and retaining experienced stock inspectors is a continuing problem. The work of stock inspectors is essential and unique because the hour of the day or the day of the week is of no consequence when livestock is ready to move. Because of the volume inspected during the busy season it is often necessary for inspectors to work from daylight to dark—seven days a week. It is only their interest and dedication that keeps these men working at the present salaries.

2. Additional funds (\$30,000) should be appropriated to hire two full time investigators to cover reported livestock thefts and to purchase necessary investigating equipment.

◦◦◦ A grant has been requested from the Governor's Crime Control Commission to finance this project. The continued number of livestock thefts illustrates the need for a sophisticated, highly trained investigating unit.

3. Legislation should be passed requiring the licensing and bonding of livestock dealers.

◦◦◦ Last year alone livestock producers reported losses of more than \$300,000 from fraudulent checks and negotiable instruments. Licensing and bonding dealers should materially reduce financial losses within the industry.

4. Legislation should be passed requiring brand inspection upon change of ownership of livestock.

◦◦◦ At the present time there is no control in the sale of cattle to feed lots. Brand inspection is urgently needed to assure that all cattle in feed lots are cleared for brands and ownership.

5. \$5,000 should be appropriated annually for the Rabies Control Program to provide immediate action in case of an outbreak of rabies.

◦◦◦ In the past we have been able to keep rabies outbreaks confined to a small area and short lived because money was available for immediate and decisive action. A "stand-by" appropriation should be made available to be used in cases of emergency.

ANALYSIS OF PROGRAMS

PROGRAM ► LIVESTOCK INSPECTION AND CONTROL Cost \$657,134

◦GOALS

Reduce the loss of livestock due to theft, fraud, or other unlawful processes.

◦OBJECTIVES

Effectively enforce the livestock laws of the State, and accurately record livestock marks and brands.

File security interests on livestock.

Increase each inspector's proficiency in crime detection and law enforcement by taking full advantage of courses presented at the Montana Law Enforcement Academy and other training schools.

Recommend and institute regulations that will foster and protect the State's livestock industry.

◦ACHIEVEMENTS

- Reduced livestock losses by providing an effective livestock inspection program.
- Conducted numerous investigations of reported livestock thefts.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cattle inspected	2,500,000	Stable
Horses inspected	25,000	Stable
Cattle reported lost	2,440	Increasing
Cattle recovered	1,450	Increasing
Horses reported lost	200	Varies
Horses recovered	131	Varies
Livestock held for proof of ownership	15,000	Stable
Beef and hide inspections	25,923	Increasing
Bills of sale received	49,650	Stable
New brands and transfers recorded	2,118	Decreasing
Mortgage notices, renewals, assignments and satisfactions filed	6,764	Increasing
Market inspection offices maintained:		
In-State	16	Stable
Out-of-State	2	Stable
Investigations resulting in charges filed	52	Increasing

PROGRAM ► PREDATORY ANIMAL CONTROL Cost \$ 94,080

◦GOALS

Protect the livestock industry from loss by predatory animals.

◦OBJECTIVES

Control losses by predators without upsetting the balance of nature by maintaining a qualified, professional force of trappers and hunters.

◦ACHIEVEMENTS

- Efficiently utilized available staff and resources to control the increase in predatory animals and predatory incidents.

*Contracted with the USDA to survey sheep producers concerning predatory losses. Over one-third of the ranchers responded by mail and a probability non-response sample was derived to provide an accurate estimation of predator losses in the sheep industry.

*Reduced the levy on "cattle and others" by one-half mill as made possible by adequate program financing.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Request for services	2,810	Increasing
Coyote bait stations placed	1,815	Varies
Predators taken by species:		
Coyote	1,955	Varies
Bobcat	123	Varies
Black Bear *	75	Varies
Grizzly Bear *	4	Varies
Fox	553	Varies
Percentage reduction of losses to the sheep industry	9	Increasing

*Proven livestock killers or damaging orchards, bee hives or destroying other property.

PROGRAM ► **RABIES CONTROL** Cost \$ 876

◦GOALS

Protect human life, domestic livestock, and game animals from rabid animals and rabies outbreaks.

◦OBJECTIVES

Eradicate rabies incidents in Montana.

◦ACHIEVEMENTS

*Reduced rabies incidents from nine to one

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Rabies incidents	1	Decreasing
Perishable strychnine-lard baits placed	4,550	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	LIVESTOCK AND AGRICULTURE	1
ADMINISTERING AGENCY	▶	LIVESTOCK SANITARY BOARD	0501
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Prevent the introduction and spreading of diseases affecting livestock.</i></p> <p><i>Assure consumers of a safe and wholesome supply of meat and meat-food products and a safe and wholesome fluid milk supply.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 65,895
01	Diagnostic Laboratory		128,866
02	Disease Control		112,422
03	Meat Inspection		221,692
04	Dairy and Milk Inspection		51,293
▶	TOTAL		<u>\$580,168</u>

OVERVIEW

The success in achieving program goals is evidenced by the following: (a) of the approximately 250,000 animals imported into Montana, no devastating animal disease was introduced to threaten the health of approximately six million head of livestock; (b) fifteen years ago approximately 2,500 Montana cattle herds were infected with brucellosis—a disease which took an excessively heavy economic toll. As a result of the long-range Brucellosis Eradication Project, only 13 brucellosis infected herds remain; (c) for many years, and again this fiscal year, no milk-borne disease outbreaks occurred in the fluid milk industry under the inspection program. Sanitation and facilities standards of the U. S. Public Health Service were met by all milk plants, assuring that Montana products would continue to be accepted into interstate commerce; and (d) considerable progress was made during the fiscal year to achieve certification from the U. S. Secretary of Agriculture that Montana's meat inspection system is "equal to" the meat inspection system of the U. S. Department of Agriculture by December 15, 1970, as required by the federal "Wholesome Meat Act of 1967".

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$17,000) should be appropriated to employ part-time veterinarians for brucellosis control.*

ooo Brucellosis control activity in the State has been sufficient to maintain a modified brucellosis status. Many states to which Montana cattle are shipped have become "Brucellosis-Free" and require expensive

test requirements on Montana cattle. To avoid test requirements on over one million head of exported cattle, and hasten the final eradication of brucellosis, the brucellosis testing program is being increased. Obtaining the part-time services of veterinarians in private practice is necessary because of an inability to attract qualified full-time veterinarians.

2. Additional funds (\$7,200) should be appropriated to hire one business service officer for the administration program.

◦◦◦ The increased office workload, primarily from the expanded cooperative meat inspection program, necessitates the addition of a business service officer.

3. Additional funds (\$4,790) should be appropriated to hire an additional laboratory assistant for the diagnostic laboratory.

◦◦◦ The increased workload at the laboratory, particularly in the virological section which uses large quantities of glassware that needs to be cleaned and sterilized, requires one additional laboratory assistant.

4. Additional funds (\$50,000) should be appropriated to procure and install an air conditioning system in the diagnostic laboratory.

◦◦◦ The lack of air conditioning has been almost intolerable and has led to the impossibility of conducting some bacteriological work. During about five months of the year, the laboratory staff work an early schedule to avoid the heat. (Thirty-seven per cent of the cost should be borne by the Livestock Sanitary Board and sixty-three per cent by the Montana Veterinary Research Laboratory, Montana State University.)

5. Additional funds should be appropriated to remodel and improve the office facilities in Helena.

◦◦◦ The 1918 office facilities should be remodeled to provide more efficient and comfortable offices.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$ 65,895

◦GOALS

Provide effective day to day management, records maintenance, and licensing for the Board.

◦OBJECTIVES

Maintain all temporary and permanent records of the Board, including: payroll; budget preparation; expenditure of budgeted funds, fiscal reports required by State and Federal laws and governmental agencies; personnel hiring, placement, and management, and all other routine business office operations to allow the other four programs to effectively pursue their goals and objectives.

◦ACHIEVEMENTS

- Issued licenses and permits to dairies, milk plants, milk distributors, artificial inseminators, breeding services, meat depots, meat packing houses, slaughterhouses, rendering plants, poultry shippers and garbage feeding establishments.
- Systematically collected, evaluated, compiled and disseminated all data pertinent to achieving each of the program's objectives.
- Maintained a liaison between private and public entities involved with livestock sanitation.
- Maintained a state, national and international surveillance of animal diseases.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Breeding service permits issued	535	Increasing
Garbage feeding licenses issued	10	Increasing
Slaughtering and meat processing plants granted official State meat inspection	54	Increasing
Grade A dairies licensed	347	Decreasing
Milk plants licensed	24	Stable
Retail raw dairies licensed	9	Decreasing

PROGRAM ► DIAGNOSTIC LABORATORIESCost \$128,866

◦GOALS

Provide scientific, technological support to diagnose and control animal diseases and to assure a safe, wholesome milk and meat supply.

◦OBJECTIVES

Apply scientifically valid testing and diagnostic procedures to specimens submitted to the laboratory.

◦ACHIEVEMENTS

- *Conducted tests and analyses to scientifically support the services of the Disease Control, Dairy and Milk Inspection and Meat Inspection Programs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Animal autopsies	1,016	Increasing
Bacteriological and chemical tests on milk, milk-products and cream	21,291	Increasing
Bacteriological, parasitological, pathological and virological tests on other specimens	9,376	Increasing
Chemical tests	2,671	Increasing
Serological tests	112,159	Increasing
Animal species tested	125	Varies

PROGRAM ► DISEASE CONTROL Cost \$112,422

◦GOALS

Prevent the introduction and spreading of infectious, contagious, communicable, or dangerous diseases affecting livestock in the State.

◦OBJECTIVES

Initiate investigations and control activities of diseases verified by the diagnostic laboratory.

Officially test and examine all dairy cows for the presence of tuberculosis, mastitis, brucellosis and any other diseases suspected in dairy cattle.

Reduce brucellosis to qualify as a Brucellosis-Free State.

◦ACHIEVEMENTS

*No major animal disease outbreaks or milk-borne disease outbreaks were recorded.

*Continued progress in the reduction of bovine brucellosis.

*Provided animal disease prevention, control and eradication services to the Dairy and Milk Inspection and Meat Inspection Programs

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cattle inspected for disease	2,055,169	Varies
Sheep inspected for disease	617,665	Varies
Swine inspected for disease	141,260	Varies
Cattle diseases reported	74	Varies
Brucellosis infected herds	13	Decreasing
Brucella abortus vaccine given to calves	247,844	Varies

PROGRAM ► MEAT INSPECTION Cost \$221,692

◦GOALS

Assure the consumer of a safe and wholesome supply of meat and meat-food products.

◦OBJECTIVES

Achieve the certification that the State of Montana meat inspection system is "equal to" the meat inspection system of the U. S. Department of Agriculture Consumer & Marketing Service by December 15, 1970.

Achieve statewide compliance with Official Regulations of the Board and the Montana Meat Inspection Law.

◦ACHIEVEMENTS

- Substantially expanded State meat inspection to a mandatory, state-wide program in compliance with the Federal Wholesome Meat Act of 1967.
- Hired and trained the needed inspectors in meat inspection procedure, under the direction of Federal meat inspectors.
- Three veterinary meat inspector supervisors attended the four-week Federal Meat Processing Training School in St. Paul, Minnesota.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Animals slaughtered under official inspection	51,532	Increasing
Meat and meat products condemned (pounds)	246,185	Varies
Diseases discovered	24	Varies
Official establishment inspections	321	Increasing

PROGRAM ► DAIRY AND MILK INSPECTION Cost \$ 51,293

◦GOALS

Assure the consumer of a safe wholesome fluid milk and cream supply.

◦OBJECTIVES

Inspect licensed dairies and milk plants utilizing the services of the diagnostic laboratory and the Disease Control Program.

Enforce sanitation standards in the production and distribution of milk that are acceptable to U. S. Public Health Service.

◦ACHIEVEMENTS

- All milk plants in Montana maintained satisfactory facility and sanitation standards to qualify for interstate commerce.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Dairy inspections	1,322	Decreasing
Distributor inspections	87	Varies
Milk truck inspections	36	Varies
Milk plant inspections	128	Stable
Samples collected for laboratory analysis	7,158	Increasing
Retail raw dairies sanitation compliance rating (per cent)	93	Varies
Milk plant sanitation compliance ratings (per cent)	93	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION		ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA		COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY		LIQUOR CONTROL BOARD	0486
Administering Agency's PRINCIPAL GOAL(S)			
	Effectively regulate the manufacture, sale and consumption of alcoholic beverages within the State of Montana and effectively market a reasonable variety of alcoholic beverages through appropriately distributed State operated retail stores at a price which will yield a fair profit on operations to the State and represent a fair value to the consumer.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 1,925,873
01	Merchandising - Resale Purchases		17,508,904
02	Merchandising - Warehouse Operations		171,030
03	Merchandising - State Liquor Stores		2,050,481
04	Regulating		132,709
	TOTAL		<u>\$21,788,997</u>

OVERVIEW

We completed the fiscal year with the greatest revenue distribution in our history. A record-breaking \$11,540,405 was apportioned with \$9,852,634 going to the State General Fund and another \$1,687,771 to counties and cities within the State.

As a result of the Legislative Auditor's examination, and in response to the recommendations made by the Management Systems Unit, we have been able to effect some reduction in our inventory and are presently analyzing various methods of inventory management and distribution, which have proven successful in other control states. Our license department is examining the possibility of using one form to cover all types of applications, eliminating unnecessary duplication and expense. In our accounting department we have transferred many functions to our data processing department, eliminating duplication of reports. Should we convert from our present data processing to central data processing, additional reports that are now prepared manually can be transferred to data processing. We are studying methods of improving sales reporting in the vendor stores and, as a result, will be able to improve inventory control and cash handling.

Much progress has been made in up-dating our agency and efforts to further improve merchandising procedures and regulatory methods will continue to be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Repeal statutory limitations on employee salaries.

ooo The Board is the only agency of any size that has a statutory limitation on employee salaries. It is hard for the Board to retain qualified personnel under present salary limitations. Because of the limitation, many of the Board's employees have not had a salary increase for four years and presently are below pay scales in other State agencies as well as similar positions in private business. A supplemental budget will be prepared and submitted for consideration.

2. Amend Section 4-235, Revised Codes of Montana, 1947, which limits the Board's indebtedness to \$25,000.

ooo In normal daily transactions, the Board exceeds this limitation. The cost of merchandise purchased in 1969-1970 exceeded \$16 million. The statute must be amended to allow a more realistic limitation and which will enable us to operate within applicable statutes.

3. Additional funds should be appropriated (\$8,940) to provide for a chief inspector to coordinate, monitor and improve inspection methods.

ooo With nine liquor inspectors working in the State, it would be expedient for the administrator to have a chief inspector to coordinate the activities of all inspectors and to be responsible for the effectiveness of the inspection program.

4. Amend statutes to require direct payment of beer tax payments by out-of-state breweries.

ooo Payment of the tax directly to the Board by breweries as beer is shipped into the State would eliminate the need to audit wholesalers' records and provide for payment of the tax as beer is shipped into the State as opposed to the present method of payment as beer is sold to retailers.

5. Additional funds should be appropriated (\$24,000 annually) to lease cash registers in the A and B stores.

ooo The addition of cash registers would provide better inventory and cash control and allow the vendors and other personnel to provide better customer service.

6. Request authority to audit domestic distillers who process liquor within the State.

ooo The possibility exists that liquor could be moved from the production center directly to retail outlets without Board knowledge because liquor processed in the State is not subject to the same controls as liquor processed out-of-State. We believe the Board should have the authority to make an examination of the books of account and examine the distillers' premises at any time. The proposed audit of in-State distillers would be provided by the Board's liquor inspectors and/or store examiners.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$1,925,873

◦GOALS

Provide effective day-to-day management of the Board's activities and assure the adherence to the Board's policies and directives.

◦OBJECTIVES

Upgrade existing computer equipment to permit the conversion of manual accounting functions to computerized programs and to improve internal auditing procedures.

◦ACHIEVEMENTS

- +Many reports that were previously prepared manually are now processed by the data processing department.
- +The payroll system is now processed by the central payroll department.
- +Utility bills are now being processed through the central office and paid by State warrants.
- +Vendor invoices for merchandise and services were consolidated to reduce the number of claims prepared, resulting in a cost savings.
- +A new procedure was implemented for disposal of defective merchandise.
- +A more effective filing system at the central office was implemented which has introduced efficiencies into the administrative processes.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Claims processed	6,750	Increasing
Daily sales (\$ average)	30,000 (\$115,000)	Increasing
Monthly financial statements processed	1,788	Stable

PROGRAM ► MERCHANDISING — RESALE PURCHASES Cost \$17,508,904

◦GOALS

Purchase all liquor to be subsequently sold within the State of Montana in an expedient and economical manner in accordance with established inventory guidelines.

◦OBJECTIVES

Maintain an optimum stock turnover ratio by improving purchasing guidelines and continually evaluating the inventory's composition to identify and discontinue products that do not meet the minimum turnover criterion. Develop an ordering plan that results in placing more of the Board's liquor stock in-transit and increases the level of service to vendor stores.

◦ACHIEVEMENTS

- +Inventory was reduced by discontinuing items carried in the wholesale inventory stock that did not meet an established sales quota.

•A new inventory management program was adopted that will provide for orders to be placed semi monthly, as opposed to the present monthly placement.

•An analysis of computer hardware was made and it was decided to use a remote terminal facility that would operate from the State's Central Data Processing Department.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cases of liquor purchased	592,004	Increasing
Merchandise line	800	Decreasing
Total inventory turn-over	4.4	Increasing
Percentage service level to stores	93	Increasing

PROGRAM ► MERCHANDISING – WAREHOUSE OPERATIONS..... Cost \$171,030

◦GOALS

Provide, in an efficient manner, the unloading of liquor merchandise received, storing of liquors, and assembling and loading of liquor orders for shipment to various State stores.

◦OBJECTIVES

Align receiving and shipping schedules to alleviate many of the problems encountered with increasing liquor stock volumes.

Maintain a reasonable reaction time in response to individual State store inventory requirements.

Automate warehouse stock facilities to expedite the unloading and shipping operations and reduce associated costs.

◦ACHIEVEMENTS

*The warehouse stock was rearranged to improve accessibility to volume items.

*Shipping and receiving schedules were changed to provide a more even distribution of merchandise receipts and out-bound shipments.

*Acquired a site for future construction of a new warehouse, as approved by the 1968-69 Legislative Assembly.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Incoming cases processed	592,004	Increasing
Outgoing cases processed	600,511	Increasing

PROGRAM ► MERCHANDISING – STATE LIQUOR STORES.....Cost \$2,050,481

◦GOALS

Provide for the sale of liquors to the general public and licensed retail distributors in a convenient, timely and economical manner.

° OBJECTIVES

Reduce and adjust store inventories to an efficient level with a variety of merchandise that will provide a reasonable level of customer satisfaction.

Modernize financial record keeping processes to eliminate workload unnecessarily generated.

Develop and implement a policy assuring that store personnel are responsive to the Liquor Control Board.

Establish workable criteria to equitably determine the staff needed to effectively operate the various State liquor stores.

° ACHIEVEMENTS

*Contracted with Management Systems Unit to analyze our present procedures of maintaining store inventories and cash handling. As a result of this study, store inventories will be reduced and some inventory reporting details will be eliminated. The cash procedures will be improved to provide better control over daily cash and cash transfers to the State Treasurer.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
State stores as of June 30, 1970	149	Stable
Cases of liquor sold	588,000	Increasing
Individual transactions (appx.)	2,500,000	Increasing

PROGRAM ► REGULATING Cost \$132,709

° GOALS

Effectively regulate the manufacture, sale and consumption of alcoholic beverages within the State.

° OBJECTIVES

Further mechanize license processing and improve the quality of inspection operations.

° ACHIEVEMENTS

*Better controls over licensing procedures were established.

*The Board adopted a policy of charging a \$100 application fee for a license, which will cover the cost of the license, inspection and advertising incurred in granting new licenses or transfers.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Beer and liquor licenses issued	1,437	Stable
On-premise beer licenses issued	162	Stable
Off-premise beer licenses issued	497	Varies
Wholesale beer licenses issued	58	Stable
Liquor premise inspections made	25,000	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY	▶	MILK CONTROL BOARD	0418
Administering Agency's PRINCIPAL GOAL(S)	<p>Promote the public interests and eliminate unfair and demoralizing trade practices in the Grade "A" milk industry.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Price Regulation of Milk Industry		\$101,090
▶	TOTAL		<u>\$101,090</u>

OVERVIEW

During the fiscal year we continued to regulate business practices and retail and wholesale milk pricing. Prices at all levels compare favorably with the prices in neighboring states.

Montana is self-sufficient in the production of fluid milk products, even though the number of individual producers is declining.

The determination of fair and reasonable prices for Grade "A" milk products will continue to be of major importance. Clarification of statutes concerning unfair trade practices and jurisdictional authority will be necessary to effectively administer this program.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Section 27-407(2), R.C.M. 1947, should be amended to change the pricing formula.*

ooo This statutory formula automatically fixes producer prices on Class III products. Since its enactment, the Montana Class III price has consistently been approximately \$1.00 per hundred weight of milk less than Class III producer prices in neighboring states and less than Class "B" milk prices to cheese factories. The needed amendment would increase the blend or take-home price for the producer's product without necessarily increasing the cost to the consumer for packaged fluid milk products.

2. *Additional funds (\$7,000) should be appropriated to provide contracted services of a qualified person to investigate distributor records to detect unlawful rebates, give-aways, and combination sales.*

◦◦◦ The greatest enforcement problem is regulating competition for store shelf space and whole-sale accounts. Presently, evidence is almost impossible to obtain because of the fear of economic reprisal by both distributors and retail stores.

3. *Section 27–407(1), R.C.M. 1947, should be amended, delegating express authority to the Board to fix and enforce prices on products sold to jobbers.*

◦◦◦ Presently, distributors sell 20 per cent of their products to jobbers, yet no price controls exist regulating this marketing area. Also, marketing to jobbers is increasing resulting in brisk competition especially in smaller towns.

4. *Section 27–407, R.C.M. 1947, should be amended delegating to the Board the authority to fix and enforce prices on all dairy products manufactured from Grade “A” milk.*

◦◦◦ The Grade “A” milk industry cannot be effectively and fairly controlled until the prices of all products are under the Board’s authority. The present statute permits unfair competition by allowing the sale of uncontrolled products at a loss.

5. *Section 27–414, R.C.M. 1947, should be amended to include as an unfair trade practice among distributors the furnishing to customers any devices used in the display, storage or handling of any food products.*

◦◦◦ This demoralizing competition among distributors is suspected each time a distributor loses a wholesale account.

ANALYSIS OF PROGRAMS

PROGRAM ► PRICE REGULATION OF MILK INDUSTRY Cost \$101,090

◦GOALS

Promote the public interests and eliminate unfair and demoralizing trade practices in the Grade A milk industry.

◦OBJECTIVES

Fix and enforce minimum producer, wholesale, and retail prices for fluid milk and cream products that reflect production costs plus a reasonable return on investment to efficient dealers.

Promote a stable competitive milk industry that provides an adequate supply of wholesome milk to consumers by maintaining an effective program of licensing, auditing, and regulation enforcement.

Develop the knowledge and proficiencies of the staff in audit procedures and regulation enforcement.

Perfect procedures for compiling cost statistics and effectively utilize resultant information.

◦ACHIEVEMENTS

*The scope of the cost surveys was increased to include more detailed statistics and expanded to include the cost information of a greater number of producers and distributors. The improvements in cost surveys have provided a sophisticated, reliable basis for price determination.

*Two state-wide public hearings were held. One concerned the price structure and the other concerned the Board's general regulations and fair trade practices regulations.

*Individual proficiency of staff members has increased because of a zero staff turn-over condition.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Grade "A" milk consumed (pounds)	223,541,510	Increasing
Distributor audits performed	2,420	Increasing
Frequency of audits (months)	6	Stable
Underpayments to producers detected	\$ 14,064	Decreasing
Percentage of producers included in cost survey	30	Increasing
Percentage of distributors included in cost survey	90	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY	▶	OIL AND GAS CONSERVATION COMMISSION	0681
Administering Agency's PRINCIPAL GOAL(S)	Regulate the production of oil and gas resources in the State: to prevent wasteful practices in the recovery operations; to prevent the pollution of other resources; and to assure maximum benefits from the oil and gas resources in the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Regulation of Drilling and Production		\$237,577
▶	TOTAL		<u>\$237,577</u>

OVERVIEW

During the fiscal year we continued an effective regulation program of the oil and gas production industry while improving many of our administrative procedures to provide better services to the industry. We envision a continued development in gas and oil production in the State. This development is evidenced by the planning and further delineation of the Tiger Ridge field near Havre. The commission will promote further development of gas and oil resources by providing effective, efficient services to the industry. In addition, we will protect the State's resources from waste and pollution by enforcing the rules and regulations of the Commission.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$6,000) should be appropriated to implement a microfilm system for permanently recording production data.*

ooo This system would provide better service to the industry and individuals interested in oil and gas production. An effective microfilm system would provide a convenient vehicle for a comprehensive study of the State's oil and gas resources which could effect an increase in drilling activity and production.

ANALYSIS OF PROGRAMS

PROGRAM ► REGULATION OF DRILLING AND PRODUCTION Cost \$237,577

◦GOALS

Regulate the production of oil and gas resources in the State; to prevent wasteful practices in the recovery operations; to prevent the pollution of other resources; and to assure maximum benefits from the oil and gas resources in the State.

◦OBJECTIVES

Regulate drilling, casing, and plugging of wells; regulate well production controlling the disposal of salt water and other wastes; classify wells; and maintain current records of the condition of all wells and well drilling.

◦ACHIEVEMENTS

*A microfilm system for all well records and well logs was implemented. This system greatly improved services provided to the industry.

*The Bell Creek field unitization and waterflood project was made operational through a joint effort with the U. S. Geological Survey and the industry.

*The rules and regulations of the Commission were revised and improved to enhance services provided to the industry.

*The Annual Review, the Valuation Report, and the monthly statistical bulletin was published and distributed to the industry and interested individuals.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Public hearings	32	Unknown
Administrative orders without a hearing	3	Increasing
Wells inspected	2,000	Increasing
Oil wells completed	96	Increasing
Gas wells completed	64	Increasing
Wells dry and abandoned	480	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY	▶	BOARD OF RAILROAD COMMISSIONERS	0401
Administering Agency's PRINCIPAL GOAL(S)	Assure the public of safe, dependable public transportation (passenger and freight) and utility services at reasonable rates.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Railroad and Public Service Regulations		\$247,757
▶	TOTAL		<u>\$247,757</u>

OVERVIEW

During the fiscal year the best public utility service was provided at a cost below the national average. We have also succeeded in retaining passenger service in the State. However, the failure of the public to use available passenger services has presented a problem that is difficult to remedy. We envision the day when everyone can obtain needed public utility services at a reasonable cost.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Legislation should be adopted to provide a single agency to expeditiously resolve all matters concerning the location of electric generation plants and associated facilities constructed by any person, partnership, corporation, association, political subdivision, government agency, local government or other organization.

••• Regulating the locale of electrical generation plants and related facilities is needed to assure the public of a safe and protected environment. Applications for installations should include a summary of environmental impact studies, statement of public need, comparison of proposed site (with any reasonable alternatives) and proof of public notice.

ANALYSIS OF PROGRAMS

PROGRAM ► RAILROAD AND PUBLIC SERVICE REGULATIONS.....Cost \$247,757

◦GOALS

Assure the public of safe, dependable public transportation (passenger and freight) and utility services at reasonable rates.

◦OBJECTIVES

Regulate transportation and public utility industries by a continued surveillance effort.

Be alert to the needs of the public in order to provide sufficient and necessary transportation and utility services.

◦ACHIEVEMENTS

*Provided the best of public utility service at a cost below the national average.

*Retained the Mainstreeter passenger service in the State.

*Convinced the Federal Communication Commission to enlarge Montana's portion of the interstate toll revenue.

*Retained the operation of the branch lines between Gardiner and Livingston and between Sappington Junction and Norris.

*Adopted new procedural rules providing a complete set of administrative practice rules and regulations.

*Collected \$839,283 in fees for the General Fund.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Hearings conducted	59	Increasing
Applications for certificates of public convenience and necessity	46	Increasing
Certificates issued	24	Increasing
Certificates transferred	100	Varies
Show cause orders issued to motor carriers	100	Increasing
Certificates revoked (non-compliance with show cause order)	25	Increasing
Permits issued (interstate carriers)	85	Increasing
Motor carriers authorized by permit or certificate	900	Increasing
MRC license plates issued	20,000	Increasing
Orders authorizing sale of securities by public utility companies	11	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	➤	OCCUPATIONAL	3
ADMINISTERING AGENCY	➤	ABSTRACTERS BOARD OF EXAMINERS	1506
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Protect the public from invalid and inaccurate abstracts of title to real estate and enforce provisions of applicable laws.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Abstracters Licensing and Regulation		\$ 1,053
➤	TOTAL		<u>\$ 1,053</u>

OVERVIEW

During the fiscal year, routine business functions were completed without incident, while we continued to up-grade the title abstracting profession in the State with particular emphasis placed on accurate and current records maintenance within the industry.

Regular meetings were held during the year to examine and license qualified applicants and to renew certificates to qualified abstracters and abstract offices. In addition, four special meetings were held to inspect abstract offices that applied for a new Certificate of Authority or authority transfer.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo In our opinion, we are satisfactorily achieving the goals of this agency. Accordingly, we have no recommendations to facilitate the achievement of goals at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► ABSTRACTERS LICENSING AND REGULATION Cost \$ 1,053

◦GOALS

Protect the public from invalid and inaccurate abstracts of title to real estate and enforce provisions of applicable laws.

◦OBJECTIVES

Be assured that all abstract offices in the State are properly maintained; issue certificates of registration each year to all qualified licensed abstracters; issue certificates of authority to all qualified abstract companies; and hold examinations whereby any person qualified under the rules and regulations of the Board may take an examination to become a registered abstracter.

◦ACHIEVEMENTS

*Two regular meetings were held for the purpose of examining qualified applicants for registration and to renew Certificates of Registration and Certificates of Authority. Four special meetings were held for the purpose of examining abstract offices which were either being sold or were newly completed and applying for a Certificate of Authority.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Examinations given (Registered Abstracters)	5	Stable
Certificates of registration issued	145	Stable
Certificates of authority issued	60	Stable
Abstract offices examined	4	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	➤	OCCUPATIONAL	3
ADMINISTERING AGENCY	➤	BOARD OF ARCHITECTURAL EXAMINERS	1502
Administering Agency's PRINCIPAL GOAL(S)	Plan, provide and direct activities designed to register qualified individuals for the practice of architecture.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Architect Licensing and Regulation		\$ 5,793
➤	TOTAL		<u>\$ 5,793</u>

OVERVIEW

The Montana Board of Architectural Examiners, as a member board of the National Council of Architectural Registration Boards, is cooperating in a study to revise requirements for professional licensing. The final results of this extensive evaluation should improve examination contents and procedures.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo We are respectfully withholding recommendations because the findings of the above study may directly affect our licensing and regulation program.

ANALYSIS OF PROGRAMS

PROGRAM ► ARCHITECT LICENSING AND REGULATION Cost \$ 5,793

◦GOALS

Plan, provide and direct activities designed to register qualified individuals for the practice of architecture.

◦OBJECTIVES

Provide a fair, meaningful examination for the license to practice architecture in the State of Montana in accordance with applicable statutes and regulations of the National Council of Architectural Registration Boards.

Coordinate the Board's activities with the recommendations resulting from the study now being conducted by the National Council of Architectural Registration Boards.

◦ACHIEVEMENTS

*Administered the annual written examination in coordination with the examination period in other states.

*Participated in national workshop sessions concerning major revisions in examining procedures.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Architects licensed by examination	5	Stable
Architects licensed by reciprocity	18	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	ATHLETIC COMMISSION	0423
Administering Agency's PRINCIPAL GOAL(S)	<p>Promote high ethical standards in professional boxing and wrestling in the State and assure the public of creditable professional boxing and wrestling events.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Athletics Licensing and Regulation		\$ 892
▶	TOTAL		<u>\$ 892</u>

OVERVIEW

In recent years our program has been limited because of the low level of activity in professional boxing and wrestling in the State. However, jurisdiction and control in this area continues to be an important responsibility to prevent any unscrupulous and illegal professional boxing or wrestling events from occurring. During the past year, two events were licensed and professionally conducted in accordance with established regulations.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

◦◦◦ In our opinion, we are satisfactorily achieving the goals of this agency. Accordingly, we have no recommendations to facilitate the achievement of goals at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► ATHLETICS LICENSING AND REGULATIONCost \$ 892

◦GOALS

Promote high ethical standards in professional boxing and wrestling in the State and assure the public of creditable professional boxing and wrestling events.

◦OBJECTIVES

Review the credentials and financial ability of all clubs, corporations, organizations, promoters, and match-makers who propose to sponsor a professional boxing or wrestling event in the State and license events that meet established standards.

Review and license all professional boxers and wrestlers and their managers and seconds who apply to participate in an event in the State.

Provide qualified, licensed officials (referees, judges, time-keepers, announcers, and physicians) for events and maintain a list of those qualified.

◦ACHIEVEMENTS

*Two clubs were licensed to conduct boxing shows in Montana. One show, a world's championship contest in the light heavyweight division, was held at the University Field House in Missoula. The other show was held at the Civic Center in Butte.

PERFORMANCE INDICATORS

FACTOR

QUANTITY

TREND

Events licensed

2

Unpredictable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF BARBER EXAMINERS	1519
Administering Agency's PRINCIPAL GOAL(S)	Upgrade the barber profession and protect the consuming public's interest.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Barber's Licensing and Regulation		\$ 10,207
▶	TOTAL		<u>\$ 10,207</u>

OVERVIEW

During the fiscal year the Board traveled nearly 27,000 miles giving examinations, contacting barbers and inspecting barber shops. Because of this state-wide tour, sanitary conditions of barber shops have been improved and a better understanding with barbers has been achieved.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Applicable statutes should be amended to increase license fees.*

ooo The present license fees are not providing sufficient revenue to finance an effective licensing and regulation program. If the fees are not increased, the financing account's surplus will be exhausted by 1973.

ANALYSIS OF PROGRAMS

PROGRAM ► BARBER'S LICENSING AND REGULATION Cost \$ 10,207

◦GOALS

Upgrade the barber profession and protect the consuming public's interest.

◦OBJECTIVES

Issue licenses to qualified practicing barbers and barber shops that comply with sanitation regulations.

Enforce the Board's regulations especially the health certificate requirement for barbers and the sanitation requirements for barber shops.

◦ACHIEVEMENTS

*No practicing barber was issued a license without evidence of a health certificate.

*An extensive barber shop inspection program was conducted. This program improved sanitary standards and developed a better understanding with barbers.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
New shop inspections	53	Decreasing
Shop licenses issued	502	Stable
Barber licenses issued	977	Stable
Examinations given	54	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF CHIROPRACTIC EXAMINERS	1506
Administering Agency's PRINCIPAL GOAL(S)	<i>Promote professional and ethical standards among chiropractic practitioners.</i>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Chiropractic Licensing and Regulation		\$ 2,577
▶	TOTAL		<u>\$ 2,577</u>

OVERVIEW

During the fiscal year, the Board concentrated on developing administrative efficiencies along with the normal task of licensing and regulation. In so doing, a special meeting was held with the Legislative Audit Committee to review their audit report and to adopt their recommendations; a special meeting was also held with the Executive Reorganization Commission to discuss our adaptability to the reorganization proposals; and administrative procedures and policies were standardized and examination questions selected after meeting with the National Council and the National Examining Board.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Effectively coordinate our program with the reorganization proposed by the Executive Commission on Reorganization.*

ooo Although the Board has some reservations concerning the present proposal for reorganization, we are anxious to effectively coordinate our program with the eventual reorganization plan.

ANALYSIS OF PROGRAMS

PROGRAM ► CHIROPRACTIC LICENSING AND REGULATION.....Cost \$ 2,577

◦GOALS

Promote professional and ethical standards among chiropractic practitioners.

◦OBJECTIVES

Examine and license qualified applicants to the chiropractic profession.

Review and license practicing chiropractics taking disciplinary action as needed.

◦ACHIEVEMENTS

*Met with the National Council of State Chiropractic Examining Boards to standardize procedures and policies.

*Conducted an educational seminar for practicing chiropractics.

*Conducted two disciplinary hearings with the assistance of the Attorney General's Office.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
New licenses issued	7	Unknown
Renewal licenses issued	154	Unknown
Licenses revoked	14	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	EXAMINING BOARD OF COSMETOLOGY	1512
Administering Agency's PRINCIPAL GOAL(S)	<p>Promote professional and ethical standards among cosmetologists and provide consumer protection from unsanitary, unhealthy conditions and unreasonable, unfair business practices.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Cosmetologists Licensing and Regulation		\$33,134
▶	TOTAL		<u>\$33,134</u>

OVERVIEW

During the fiscal year we improved our licensing and regulation program by implementing several efficiencies in the administrative function and by devising and adopting new and revised rules and regulations. We have expanded our services to keep pace with the growing cosmetology profession and to license all individuals qualified to practice cosmetology.

We will continue to increase our existing services by effectively utilizing all available resources. In particular we will compile, publish, and distribute an official book of revised rules and regulations (1971 legislation included).

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds (\$5,000) should be appropriated to revise and standardize licensing procedures.

◦◦◦ The present system of licensing is antiquated, cumbersome and requires additional employees and overtime during the peak licensing period. These funds will be used to study methods to improve the process and implement changes.

2. *Additional funds (\$1,600) should be appropriated to use the National Testing Examination as the written portion of our licensing examination,*

ooo This change would eliminate revising three parts of the present examination and promote a unified reciprocity program.

ANALYSIS OF PROGRAMS

PROGRAM ► COSMETOLOGISTS LICENSING AND REGULATION. Cost \$ 33,134

◦GOALS

Promote professional and ethical standards among cosmetologists and provide consumer protection from unsanitary, unhealthy conditions and unreasonable, unfair business practices.

◦OBJECTIVES

Promulgate and administer rules and regulations for cosmetology schools and instructors, cosmetology salons, cosmetology students and cosmetologists; prepare and administer examinations for the practice of cosmetology; prescribe sanitary rules and regulations; and inspect beauty schools and salons.

◦ACHIEVEMENTS

- *Promulgated and adopted rules and regulations governing the Teacher Training Units in cosmetology schools.
- *Revised rules and regulations applicable to all persons, firms, or corporations licensed or registered by the Board.
- *Completed a permanent record filing system listing all licensed salons and cosmetologists.
- *Adopted a new procedure for disciplining individuals in violation of the Board's rules and regulations. Several disciplinary cases were brought before the Board.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses issued	4,921	Increasing
Inspections made	1,146	Increasing
Student examinations	5	Stable
Instructor examinations	1	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF DENTAL EXAMINERS	1513
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Protect the public and the dental profession by assuring dentists meet ethical and moral standards before beginning a dental practice in Montana and that these standards are maintained by all practicing dentists in the State.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Dentist Licensing and Regulation		\$ 7,309
▶	TOTAL		<u>\$ 7,309</u>

OVERVIEW

The Board continued to promote professional dentistry in Montana by providing an effective, unbiased licensing and regulation program. Prospective dentists and dental hygienists were examined and duly licensed and practicing dentists and dental hygienists were issued an annual license subject to suspension and revocation provisions. During the year, several improvements were made in the Board's regulation and operating practices.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

◦◦◦ Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► DENTIST LICENSING AND REGULATION Cost \$ 7,309

◦GOALS

Protect the public and the dental profession by assuring dentists meet ethical and moral standards before beginning a dental practice in Montana and that these standards are maintained by all practicing dentists in the State.

◦OBJECTIVES

Test and examine all prospective dental candidates. Take disciplinary action against any dentist or individual in violation of the practice of dentistry as outlined by State law.

Be sensitive to problems of the dental profession, dental patients, and the dental needs of the people and take appropriate action.

◦ACHIEVEMENTS

*Revised the Montana Dentistry Regulation Act.

*Compiled and published a listing of dentists and hygienists practicing both in the State and out-of-State, that are licensed by Montana.

*Mailed copies of the minutes of the board meetings and the annual audit report to all dentists practicing in Montana.

*Increased the annual license fees to meet current expenditures and to provide a \$2,500 reserve required by law.

*Approved and adopted portions of the National Board of Dental Examiners as a requirement for dentists and dental hygienists applying for a license.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licensed dentists in-State	350	Increasing
Licensed dentists out-of-State	225	Unknown
Licensed hygienists	75	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY	▶	ELECTRICAL BOARD	1523
Administering Agency's PRINCIPAL GOAL(S)	Protect people and property in Montana from the danger of electrically caused hazards.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Electrician Licensing and Regulation		\$92,467
▶	TOTAL		<u>\$92,467</u>

OVERVIEW

During the fiscal year, inspection activity was increased; electrical workers were checked more closely for proper licensing; reciprocal licensing was extended to neighboring states; a closer relationship with other inspection agencies was established; and the National Electrical Code was adopted as the uniform safety standard.

Inspection services need to be further increased to provide effective regulations to meet the growing needs of the electrical installation industry.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Funds should be appropriated to provide an additional man-year of inspection time.

ooo Increased construction in the western portion of Montana and the large and remote area to be covered, necessitates the increase in the inspection portion of the program.

ANALYSIS OF PROGRAMS

PROGRAM ► ELECTRICIAN LICENSING AND REGULATION..... Cost \$ 92,467

◦GOALS

Protect people and property in Montana from the danger of electrically caused hazards.

◦OBJECTIVES

Effectively assure the public that persons making electrical installations are qualified; and assure the public that the electrical installations and electrical products made or sold within the State meet at least minimum standards.

◦ACHIEVEMENTS

- *Licensing provisions and the electrical code were more strictly enforced.
- *Electrical installation inspections were increased.
- *Reciprocity of licensing agreements was expanded to include the states of South Dakota and Wyoming.
- *The National Electrical Code was adopted as the uniform safety standard to regulate electrical installations.
- *Operational procedures of the Board were improved.
- *The Board cooperated with the State Building Code Council to establish uniform, statewide building construction standards.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses	1,639	Stable
Inspections	5,789	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	COMMERCIAL AND INDUSTRIAL	2
ADMINISTERING AGENCY	▶	BOARD OF FOOD DISTRIBUTORS	1514
Administering Agency's PRINCIPAL GOAL(S)	To assure fair competition in the wholesale and retail food and general industries serving the public within the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Food Distributors Licensing and Regulation		\$ 23,887
▶	TOTAL		<u>\$ 23,887</u>

OVERVIEW

During the fiscal year, a total of 4,916 licenses were issued to business establishments where food is sold. This figure is nearly the same as the 1968-69 fiscal year, even though over 150 businesses went out of business. The Board arbitrated complaints within the wholesale and retail food industries, using a cost survey system, to insure fair and competitive prices.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *The proposals developed by the Executive Reorganization Commission to correct the Board's inequitable funding programs should be considered for adoption.*

ooo Presently the Board investigates any business formally charged with unfair competition even though revenue for the program is derived solely from the issuance of food distributor licenses. The regulation of fair competition for all industries is an important program, but present means of funding places an unequitable burden upon the food industry.

ANALYSIS OF PROGRAMS

PROGRAM ► FOOD DISTRIBUTORS LICENSING AND REGULATION Cost \$ 23,887

◦GOALS

To assure fair competition in the wholesale and retail food and general industries serving the public within the State.

◦OBJECTIVES

Investigate, and prosecute accordingly, complaints filed with the Montana Trade Commission against any wholesale or retail business selling below cost.

Compile accurate, meaningful cost surveys to provide a sound basis for investigations.

◦ACHIEVEMENTS

*Obtained the names and addresses of new food distributing businesses and issued food distributor's licenses.

*Investigated complaints in motor oil sales (Missoula), bakery sales (Kalispell), retail sugar sales (Billings); meat sales (Missoula) which were filed with the Board.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Food distributors licensed	4,916	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF HEARING AID DISPENSERS	1527
Administering Agency's PRINCIPAL GOAL(S)	Protect the public from harmful, dangerous hearing aid equipment and practices.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Hearing Aid Dispensers Licensing and Regulation		\$ 3,416
▶	TOTAL		<u>\$ 3,416</u>

OVERVIEW

The Board, created in August of 1969, devised and implemented a licensing procedure during the fiscal year. While the licensing program continues the inspection portion of the program will be developed and implemented. The Board will encourage hearing aid dispensers to continue their education in hearing aid methods and practices.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo As a new agency we are satisfactorily progressing toward achieving our goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► HEARING AID DISPENSERS LICENSING AND REGULATION Cost S 3,416

◦GOALS

Protect the public from harmful, dangerous hearing aid equipment and practices.

◦OBJECTIVES

Examine and license all qualified hearing aid dispensers.

Inspect all dealer offices and test the calibration of electrical instrumentation.

◦ACHIEVEMENTS

*Devised and implemented rules and regulations for licensing.

*Issued licenses to qualified existing dealers under the "grandfather clause".

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses issued under the "grandfather clause"	52	Not applicable
Licenses issued by examination	1	Increasing
Licenses refused	3	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	3
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	HORSE RACING COMMISSION	1522
Administering Agency's PRINCIPAL GOAL(S)	Protect the public from deceitful, irresponsible activities in professional horse races.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Horse Racing Licensing and Regulation		\$20,413
▶	TOTAL		<u>\$20,413</u>

OVERVIEW

Pari-mutuel racing in the State is in its formative period—much like racing in the East before the National Association of State Racing Commissioners (NASRC) was organized. During the year we continued to upgrade the racing progression with the NASRC providing assistance by: providing current information on medications and testing methods; maintaining a complete record of all violations committed throughout North America; providing names of qualified racing officials; and providing assistance in regulation enforcement.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ▶ HORSE RACING LICENSING AND REGULATION..... Cost \$ 20,413

GOALS

Protect the public from deceitful, irresponsible activities in professional horse races.

OBJECTIVES

Provide an effective licensing and regulation program, denying participation to individuals posing a threat to the integrity of the sport.

Promote training programs to provide more qualified, competent personnel for officiating pari-mutuel racing.

Establish more effective regulations to control pari-mutuel operations and past performance charts—particularly concerning the reliability of totalizator equipment, accuracy of pay-off calculations and illegal drug usage.

ACHIEVEMENTS

*Complied with the Legislative resolution instructing the Commission to more effectively enforce regulations.

*Fined eight persons for violation of regulations and denied two persons licenses because of their questionable character.

*Utilized consent searches, polygraph tests and formal hearings to investigate suspected cases of illegal drug usage.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses issued	1,347	Increasing
Stables registered	3	Unknown
Days of racing	64	Stable
Spectator attendance	164,400	Increasing
Polyethylene glycol tests conducted	32	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF MASSAGE EXAMINERS	1524
Administering Agency's PRINCIPAL GOAL(S)	Provide for the safety and welfare of the patron public by assuring that high standards of sanitation and ethical practice are maintained by masseurs and masseuses.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Masseurs and Masseuses Licensing and Regulation		\$ 2,736
▶	TOTAL		<u>\$ 2,736</u>

OVERVIEW

The Board of Massage Examiners is working with the State and National American Massage Therapy Association to provide better educational programs and the development of a standardized massage profession. Reciprocity agreement procedures are being established with other states who have massage licensing laws to improve inter-state relationships.

One of the program's main concerns is to locate and contact those individuals providing massage services without benefit of a license.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *A full-time inspector should be added to the staff.*

◻◻◻ A full-time inspector is needed to upgrade the licensing and regulation program. An inspector is especially needed if we are to locate and contact individuals providing massage services without benefit of a license.

ANALYSIS OF PROGRAMS

PROGRAM ► MASSEURS AND MASSEUSES LICENSING AND REGULATION Cost \$ 2,736

◦GOALS

Provide for the safety and welfare of the patron public by assuring that high standards of sanitation and ethical practice are maintained by masseurs and masseuses.

◦OBJECTIVES

Effectively regulate and license those participating in this occupation to protect against improper, unauthorized and unqualified practitioners.

Implement and maintain an inspection program to assure the public of qualified masseurs and masseuses.

◦ACHIEVEMENTS

*Two regular board meetings were conducted and one additional special meeting was held to administer the State licensing examination.

*The licensing and regulation program was administered as fully as available funds would permit.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses renewed	113	Unknown
New licenses issued	6	Unknown
Associate licenses issued	3	Unknown
Temporary permits	2	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF MEDICAL EXAMINERS	1504
Administering Agency's PRINCIPAL GOAL(S)	Protect the people of Montana against unprofessional, improper, unauthorized or unqualified practice of medicine.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Medical Practitioner Licensing and Regulation		\$ 18,369
▶	TOTAL		<u>\$ 18,369</u>

OVERVIEW

Presently in Montana there is less than one physician for each 1,000 persons. It is desirable to have one physician for every 750 individuals. Efforts to increase the number of practicing physicians and medical services generally in Montana (without sacrificing professional and ethical standards) will continue to be of major importance. Recent experience indicates the number of physicians per capita in Montana is rapidly increasing.

Providing a qualified staff at Warm Springs State Hospital is of particular importance to the Board. There is a very limited number of psychiatrists and the living conditions at Warm Springs tend to produce a heavy turnover within the medical staff.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► MEDICAL PRACTITIONER LICENSING AND REGULATION Cost \$ 18,369

◦ GOALS

Protect the people of Montana against unprofessional, improper, unauthorized or unqualified practice of medicine.

◦ OBJECTIVES

Increase the number of medical practitioners and medical services in Montana by providing a fair, unbiased examining and licensing program.

Promote professional and ethical standards by providing an effective regulation program and by properly disciplining physicians charged with unprofessional conduct.

◦ ACHIEVEMENTS

*Increased the annual license fees to provide additional revenue needed for the Program.

*Administered the examinations for medical practice and licensed qualifying individuals.

*Cooperated with other states in licensing by reciprocity.

*Reviewed and took necessary action in disciplinary cases brought before the Board.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licensed physicians in the State	685	Increasing
New licenses issued.		
By examination	8	Increasing
By reciprocity	39	Increasing
Physical therapists examined and licensed	6	Stable
Disciplinary cases processed	7	Varies
Licenses revoked	2	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF MORTICIANS	1510
Administering Agency's PRINCIPAL GOAL(S)	Protect the public from unqualified individuals practicing the mortuary science in Montana and assure that all funeral homes meet professional standards of sanitation and integrity.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Morticians Licensing and Regulation		\$ 4,700
▶	TOTAL		<u>\$ 4,700</u>

OVERVIEW

During the fiscal year the Board continued to promote professional standards among morticians by providing an effective licensing and regulation program.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

◦◦◦ Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ▶ MORTICIAN LICENSING AND REGULATION Cost \$ 4,700

◦GOALS

Protect the public from unqualified individuals practicing the mortuary science in Montana and assure that all funeral homes meet professional standards of sanitation and integrity.

°OBJECTIVES

Administer the mortician's examination and license qualified candidates, issue licenses by reciprocity to qualified individuals; and issue license renewals, subject to revocation, annually.

Issue annual licenses to mortuaries and provide an inspection program to assure that all mortuaries adhere to the Board's standards.

°ACHIEVEMENTS

*The Board met twice to administer the licensing and regulation program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Examinations	9	Stable
Mortician licenses	285	Stable
Mortuary licenses	80	Stable
Mortuaries inspected	27	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF NURSING	1501
Administering Agency's PRINCIPAL GOAL(S)	Protect the public from incompetent, unethical nursing practices in the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Nursing Licensing and Regulation		\$48,808
▶	TOTAL		<u>\$48,808</u>

OVERVIEW

During the fiscal year the Board continued to function in the field of professional and practical nursing as an administrative and supervisory agency providing knowledge and understanding of nursing for the safeguard of life and health. The shortage of storage space for records continues to be a problem. The feasibility of microfilming and data processing was studied but no immediate action has been taken.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

°°° Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ▶ NURSING LICENSING AND REGULATION..... Cost \$ 48,808

°GOALS

Protect the public from incompetent, unethical nursing practices in the State.

◦OBJECTIVES

Promote the knowledge and understanding of nursing in safeguarding life and health.

Formulate and enforce standards for nursing education based on the public's need for competent practitioners and the educational needs of the nursing student.

Formulate procedures for evaluation of all educational programs in nursing.

Formulate and administer procedures for licensing nurses.

◦ACHIEVEMENTS

*Revised and updated the operating policies of the Board.

*Revised the "Standards for Professional Nursing Schools".

*Approved the Visitor Exchange Program at Montana Deaconess Hospital for another year.

*Sponsored the annual Education Conference in April 1970 for directors of nursing services, administrators of health care facilities, and faculties of all nursing schools.

*Co-sponsored the seminar on "Pharmacy and Nursing".

*Certified, as an accrediting agency, nursing schools by the U.S. Commissioner of Education.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Practical nursing schools granted continued approval	6	Varies
Practical nursing schools granted initial approval	1	Unknown
Licensed practical nurses	266	Increasing
Licensed professional nurses	422	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	➤	OCCUPATIONAL	3
ADMINISTERING AGENCY	➤	BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS	1528
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Insure quality patient care for all people under the care of nursing homes in Montana.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Nursing Home Administrators Licensing and Examining		\$5,984
➤	TOTAL		<u>\$5,984</u>

OVERVIEW

Although the act authorizing this Board was not effective until January 1, 1970, the Governor appointed the Board members on July 2, 1969 to facilitate full compliance with the provisions of the act by its effective date. Rules and regulations for the Board have been adopted and the licensing and examining program made operative.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

°°° Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to facilitate the achievement of goals at this time.

ANALYSIS OF PROGRAMS

PROGRAM ▶ NURSING HOME ADMINISTRATORS LICENSING AND EXAMINING.....Cost \$ 5,984

°GOALS

Insure quality patient care for all people under the care of nursing homes in Montana.

OBJECTIVES

Examine applicants for licensure as nursing home administrators.

Enforce regulations of the Board to maintain professional standards among nursing home administrators.

ACHIEVEMENTS

*Adopted rules and regulations for the Board's administrative procedures and program operation.

*Conducted two examination sessions.

*Conducted two courses of instruction for practicing nursing home administrators.

*Approved the nursing home administration curriculum offered at Montana State University.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses issued by waiver	65	Not relevant
Licenses issued by examination	42	Increasing
Temporary permits issued	33	Unknown
Board meetings conducted	6	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF EXAMINERS IN OPTOMETRY	1515
Administering Agency's PRINCIPAL GOAL(S)	Protect the visual health and welfare of the people in the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Optometry Licensing and Regulation		\$3,859
▶	TOTAL		<u>\$3,859</u>

OVERVIEW

During the fiscal year the Board continued to assure that only competent, well trained optometrists practiced in the State. The Board met with Mr. Barrett and Mr. Sennett to consider the reorganization proposals. We agree with the concepts evidenced by the reorganization plan and stand ready to assist in its implementation. Obtaining additional funding to improve services will be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Applicable statutes should be amended to raise the annual license fee to fifty dollars.*

ooo To improve existing services, including legal counsel and representation at national educational meetings, additional funding is necessary. During the fiscal year we had to rely on subsidies from the Montana Optometric Association. To continue this source of funding would jeopardize the Board's effectiveness in regulation enforcement.

ANALYSIS OF PROGRAMS

PROGRAM ► OPTOMETRY LICENSING AND REGULATION..... Cost \$ 3,859

°GOALS

Protect the visual health and welfare of the people in the State.

°OBJECTIVES

Provide practical examinations to applicants that have passed the National Board Examination and duly license applicants that demonstrate proficiency in the practical applications of optometry.

Enforce the optometry law to uphold the professional standards among practicing optometrists and to assure that nonprofessionals do not practice optometry.

°ACHIEVEMENTS

*Ruled to accept applications only from graduates that have passed the National Board examination.

*Administered the practical examination on the fourth Monday in July.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Practical examinations given	3	Unknown
New licenses issued	3	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF OSTEOPATHIC EXAMINERS	1517
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Protect the people of Montana from unprofessional, unqualified practicing osteopaths.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Osteopath Licensing and Regulation		\$107
▶	TOTAL		<u>\$107</u>

OVERVIEW

The Board is responsible for examining and licensing individuals desiring to practice osteopathy in the State assuring that they are properly trained and of good moral character.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo The activities of the Board were limited. For this reason, no recommendations to facilitate the achievement of goals are proposed.

ANALYSIS OF PROGRAMS

The agency did not comply with uniform reporting statutes and did not comply with the applicable administrative directive. Consequently, this section could not be completed.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF PHARMACY	1516
Administering Agency's PRINCIPAL GOAL(S)	Protect the public from abusive sale and classification of drugs and from incompetent and neglectful pharmaceutical practices.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Pharmacy and Drug Licensing and Regulation		\$19,289
▶	TOTAL		<u>\$19,289</u>

OVERVIEW

During the fiscal year an effective licensing and regulation program was continued, striving to serve the best interests of the public. Generally, pharmacists and the pharmaceutical industry have performed their duties well. An increase in the annual pharmacist fee will be proposed to fund a more extensive inspection program to further assure the public of safe and competent pharmacy and drug practices. It is planned to publish a revised book of pharmacy laws to include the new Dangerous Drug Act.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Amend statutes to increase the annual renewal fee for pharmacists from \$5.00 to \$15.00.

◻◻◻ This fee would be comparable to the national average and would make possible a more effective inspection program.

ANALYSIS OF PROGRAM

PROGRAM ► PHARMACY AND DRUG LICENSING AND REGULATION. Cost \$ 19,289

◦GOALS

Protect the public from abusive sale and classification of drugs and from incompetent and neglectful pharmaceutical practices.

◦OBJECTIVES

Inspect all places where drugs, medicines, chemicals, or poisons are sold, vended, given away, compounded dispensed, or manufactured.

Examine, license and register as pharmacists all applicants whom the Board shall deem qualified.

Revoke the license of any pharmacists where actions imply that the individual is not qualified to dispense drugs to the public.

Perform such other duties and exercise such other powers as the provisions of applicable statutes may require.

◦ACHIEVEMENTS

*Regulation of the pharmaceutical industry in the State was effectively discharged.

*The license of a hospital was revoked for operating without a licensed pharmacist.

*A number of minor violations were noted and corrected in pharmacies.

*Over 3,000 licenses were issued as a means of controlling the practices of pharmacists and pharmacies serving the public.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Pharmacy licenses issued	250	Increasing
Pharmacist licenses issued	852	Increasing
Dealers licenses (household drugs) issued	2,028	Increasing
Examinations given	27	Stable
Cease and desist orders issued	3	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF PLUMBING EXAMINERS	1509
Administering Agency's PRINCIPAL GOAL(S)	Protect the public health and safety from unsuitable plumbing practices.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Plumbers' Licensing and Regulation		\$ 34,345
▶	TOTAL		<u>\$ 34,345</u>

OVERVIEW

During the fiscal year the program of licensing qualified applicants as master plumbers or journey-men plumbers was effectively administered. The State plumbing code was enforced through use of spot inspections of installations. This effort was limited, however, because of an insufficient funding program (fixture fees). Revisions to several statutes authorizing this Board are of major importance for the continuation of an effective licensing and regulation program.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. A statutory amendment is needed to apply the inspection fee at the wholesale level on all fixtures purchased.

ooo Presently, a \$0.50 inspection fee is assessed for each fixture installed under the supervision of a master plumber. However, this fee does not sufficiently provide for an adequate inspection program. The recommended change would provide an estimated additional \$30,000 - \$40,000 in revenue to be used for a more effective inspection and code enforcement program.

2. *Legislation is needed to require any person installing plumbing outside of city limits (home owners exempted) to be licensed. (This would include out-of-state plumbers working in Montana.)*

ooo Presently, a plumber's license is required only of persons installing plumbing in an incorporated town or city.

3. *The Board should be authorized to penalize an individual for installations that do not meet minimum code requirements.*

ooo All persons installing plumbing, including home owners, should be required to meet minimum code requirements to assure the public of safe and sanitary installations.

4. *A plumbing inspector in a town of 10,000 or over should be required to meet certain minimum requirements and take an examination to qualify as a plumbing inspector.*

ooo There are several cities in the State that do not have qualified inspectors. Because of this, several serious problems have developed. Because the health of many could be affected by contaminated water resulting from faulty plumbing installations, it is quite apparent that the plumbing inspector should be qualified. At the present time the State gives examinations to licensed plumbers when there is an inspector opening but it should also be required of all inspectors in the larger cities.

ANALYSIS OF PROGRAMS

PROGRAM ► PLUMBERS' LICENSING AND REGULATIONCost \$ 34,345

oGOALS

Protect the public health and safety from unsuitable plumbing practices.

oOBJECTIVES

Determine that all plumbers are qualified, and properly licensed and that all plumbing installations satisfy the requirements of the State Plumbing Code. Establish rules and regulations which must be upheld by all those engaged in the plumbing profession in Montana.

oACHIEVEMENTS

- *The plumbing inspector covered the State three times, spot checking installations and auditing fees reported by the master plumbers.
- *In January 1970, 1,000 copies of the State Plumbing Code, Third Edition, were published.

PERFORMANCE INDICATORS

- Distributed 246 copies of the code book
- Issued 12 new Master Plumber Licenses
- Issued 23 new Journeyman Plumber Licenses
- Renewed 325 Master Plumber Licenses
- Renewed 784 Journeyman Plumber Licenses

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS	1508
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Protect the lives and property of the people by establishing and enforcing professional standards and ethics for engineers and land surveyors.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Engineers and Surveyors Licensing and Regulation		\$ 20,701
▶	TOTAL		<u>\$ 20,701</u>

OVERVIEW

The board is a member of the National Council of Engineering Examiners. Through this affiliation, Montana has updated its laws to reflect modern engineering requirements and improvements in registration qualifications. For example: a cooperative project is underway to plan a standard form used to verify inter-state registration of applicants for certifications by reciprocity.

Efforts are continuing to improve existing State by-laws by working on a national level to improve the Constitution and By-Laws of the National Council of Engineering Examiners.

A study is in progress to determine the feasibility of combining the licensing bureaus into one program structure as proposed by the Montana Commission on Executive Reorganization.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

◦◦◦ The Board has no recommendations to facilitate the achievement of goals that require action to be taken by external factors.

ANALYSIS OF PROGRAMS

PROGRAM ► ENGINEERS AND SURVEYORS LICENSING AND REGULATION Cost \$ 20,701

◦GOALS

Protect the lives and property of the people by establishing and enforcing professional standards and ethics for engineers and land surveyors.

◦OBJECTIVES

Upgrade the engineers and land surveyors profession by reviewing applications for registration; conducting examinations for professional engineers, land surveyors and engineers-in-training; and providing seminars for engineers-in-training.

Maintain a viable licensing program with the authority for revocation, suspension, and non-renewal.

◦ACHIEVEMENTS

*Training seminars were held at the colleges in Butte and Bozeman to review material necessary to pass examinations for professional registration.

*Two land surveyor board members prepared the Montana Land Surveyor Examination which was given in December, 1969.

*Board members conducted impressive ceremonies during National Engineer Week in various Montana cities granting certification to new engineers and land surveyors.

*Office procedures have been updated to bring efficiency in license renewal methods.

*A form was designed for individuals to file violations of professional ethics requesting disciplinary action.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Examinees for engineer	34	Increasing
Examinees for land surveyor	17	Increasing
Examinees for engineer-in-training	110	Increasing
Certifications issued to professional engineers and land surveyors	244	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF PUBLIC ACCOUNTANCY	1526
Administering Agency's PRINCIPAL GOAL(S)	Upgrade and maintain a high standard of integrity, dignity, and competency in the profession of public accounting to protect the public from incompetency and dishonesty of licensed practitioners.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Public Accountants' Licensing and Regulation		\$ 17,173
▶	TOTAL		<u>\$ 17,173</u>

OVERVIEW

Effective July 1, 1969, the Board of Public Accountancy was granted authority and assigned the responsibility to examine and certify those individuals seeking to become certified public accountants and regulate the professional activities of individuals certified. Although there is much work to do, considerable progress has been made toward discharging these responsibilities.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Rules and regulations relative to the interpretation of statutory requirements for the certification of public accountants must be developed and distributed.*

ooo This is an internal process and does not necessarily require action by external factors.

ANALYSIS OF PROGRAMS

PROGRAM ► PUBLIC ACCOUNTANTS' LICENSING AND REGULATIONCost \$ 17,173

◦GOALS

Upgrade and maintain a high standard of integrity, dignity, and competency in the profession of public accounting to protect the public from incompetency and dishonesty of licensed practitioners.

◦OBJECTIVES

Set standards and qualifications to assure the public of meaningful, accurate audit reports. Effectively administer the licensing and regulation program in a fair and equitable manner. Publish an annual roster of all Certified Public Accountants and Licensed Public Accountants.

◦ACHIEVEMENTS

*The Board was organized under a new law effective July 1, 1969, which included setting administrative policies through the adoption of rules and regulations; devising forms and procedures for the orderly conduct of the Board's work; securing the necessary office space; files and supplies; and obtaining and training staff personnel. Considerable progress has been made in this area.

*Administered the uniform Certified Public Accountant examination in November 1969, and May 1970, and issued certificates to those passing.

*Registered, as Licensed Public Accountants, those individuals qualifying under the "grandfather" clause of the law.

*Published a booklet containing the Rules of Professional Conduct and the Montana Accountancy Act, which was distributed to all Montana Certified Public Accountants and Licensed Public Accountants.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Candidates tested	209	Increasing
Certificates issued	49	Increasing
Public Accountants licensed	158	Decreasing
Disciplinary actions	1	None

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	8
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	8
ADMINISTERING AGENCY	▶	REAL ESTATE COMMISSION	1511
Administering Agency's PRINCIPAL GOAL(S)	Protect the public against illegal, unscrupulous, and incompetent practices in the real estate profession.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Real Estate Brokers and Salesman Licensing and Regulation		\$ 42,682
▶	TOTAL		<u>\$ 42,682</u>

OVERVIEW

In a continuing effort to up-grade the real estate profession in Montana, many of our services have been improved. For example: the Foreign Land Sales Practices Act was successfully implemented as a safeguard against unfair practices in out-of-state land sales in Montana.

Improving our educational program will be of major importance to provide professional real estate brokers and salesmen. Effective enforcement of regulations will be of equal importance to protect the public interests.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. A formal education be required as a requisite to obtaining a real estate broker or salesman license.

ooo To attain a higher level of professional competency in the real estate industry a formal real estate education is needed as a requirement for all prospective brokers and salesmen.

2. *An instate subdivision law, offering public protection against unfair land subdivision practices in Montana is needed.*

◦◦◦ At this time, no public protection law exists regulating the sale of Montana subdivided land in Montana.

ANALYSIS OF PROGRAMS

PROGRAM ► REAL ESTATE BROKERS AND SALESMAN LICENSING

AND REGULATION..... Cost \$ 42,682

◦GOALS

Protect the public against illegal, unscrupulous, and incompetent practices in the real estate profession.

◦OBJECTIVES

Elevate the real estate profession by effectively enforcing and administering the: Real Estate License Act of 1963; the instate Subdivision Act; and the Foreign Land Sales Practices Act.

◦ACHIEVEMENTS

*All practicing real estate brokers and salesmen were properly licensed and bonded.

*The cost of administering both the brokers and salesmen examination was substantially reduced by revising the examination format to permit machine grading.

*The resident and non-resident real estate educational programs, offered by the University of Montana under the sponsorship of the commission, were up-graded.

*The Montana Real Estate Manual, the basic text in several University real estate courses and used by applicants to prepare for the brokers and salesmen license examination, was revised and reprinted.

*A statewide real estate seminar program was conducted providing very needed educational opportunities to over 400 licensees in their area of residence.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Persons licensed	1,557	Increasing
Instate subdivisions registered	1	Stable
Foreign subdivisions registered	0	None
Examinations given	282	Increasing—Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	SANITARIANS REGISTRATION COUNCIL	1521
Administering Agency's PRINCIPAL GOAL(S)	Assure that all practicing sanitarians in the State are fully qualified.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Sanitarians Licensing and Regulation		\$117
▶	TOTAL		<u>\$117</u>

OVERVIEW

During the fiscal year close communication was established with the Executive Commission on Reorganization. The proposed reorganization plan, insofar as the Council was concerned, was approved.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Effectively coordinate our program with the reorganization plan proposed by the Executive Commission on Reorganization.*

ooo We agree with the concept of placing the Council under the State Board of Health and stand ready to assist in its implementation.

ANALYSIS OF PROGRAMS

PROGRAM ► SANITARIANS LICENSING AND REGULATION Cost \$ 117

◦ GOALS

Assure that all practicing sanitarians in the State are fully qualified.

◦ OBJECTIVES

Examine and license applicants for the sanitarians professional certificate and revoke or suspend certificates of any sanitarian displaying professional misconduct or incompetency.

Cooperate with all other states to establish uniform reciprocity procedures.

◦ ACHIEVEMENTS

- *Modified registration requirements and improved examination services.
- *Improved the Council's investment procedures.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
New certificates issued	12	Unknown
Sanitarians registered	61	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	VETERINARY MEDICAL EXAMINERS	1518
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Promote professional standards of ethics and sanitation among practicing veterinarians and assure that candidates of veterinary medicine have the necessary educational and ethical qualifications.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Veterinarian Licensing and Regulation		\$ 1,644
▶	TOTAL		<u>\$ 1,644</u>

OVERVIEW

The Board continued to regulate the practice of veterinary medicine in the State to assure the public of high ethical standards and proficiency in the profession. The licensing and regulation program was administrated without event.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo Satisfactory progress is being made toward achieving the agency's goals. Accordingly, we have no recommendations to make at this time.

ANALYSIS OF PROGRAMS

PROGRAM ► VETERINARIAN LICENSING AND REGULATION Cost \$ 1,644

◦GOALS

Promote professional standards of ethics and sanitation among practicing veterinarians and assure that candidates of veterinary medicine have the necessary educational and ethical qualifications.

◦OBJECTIVES

Effectively examine qualified candidates; grant licenses to candidates passing the examination; and issue license renewals to practicing veterinarians that comply with the Board’s standards.

◦ACHIEVEMENTS

*Four meetings were held to administer the licensing and regulation of veterinary medicine.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Examinations given	30	Increasing
New licenses issued	28	Increasing
Licenses renewed	361	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	BOARD OF CERTIFICATION FOR WATER AND WASTE WATER OPERATORS	1525
Administering Agency's PRINCIPAL GOAL(S)	Protect the health and lives of the public from contaminated water.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Water and Waste Water Operators Licensing and Regulation		\$ 6,998
▶	TOTAL		<u>\$ 6,998</u>

OVERVIEW

During the fiscal year the Idaho Study Plan, together with New York manuals and booklets from the Water Pollution Control Federation, were used for educational purposes. Fifty-four examinations were given and 39 operators were certified by passing the examination. With the assistance of the Civil Engineering Department, Montana State University, the Idaho plan has been edited to facilitate study by the water and waste water operators.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *In the reorganization plan, this agency should be placed under the State Department of Health.*

ooo Presently, the Board cooperates with the Department of Health staff to provide an effective program. However, aligning with the Department of Health would facilitate enforcement of regulations particularly concerning small plants serving less than one hundred people.

ANALYSIS OF PROGRAMS

PROGRAM ► WATER AND WASTE WATER OPERATORS LICENSING AND REGULATION Cost \$ 6,998

◦GOALS

Protect the health and lives of the public from contaminated water.

◦OBJECTIVES

Examine and license water and waste water plant operators to assure their competency as operators and to enhance their knowledge of water and waste water systems.

Classify all water treatment plants, water distribution systems, and waste water treatment plants according to population needs and environmental conditions.

◦ACHIEVEMENTS

*Converted the licensing procedures to data processing capabilities.

*Sent a copy of the law, applications for certification and classification charts to operators and other local officials of communities installing new plants.

*Revoked one license with the assistance of the Attorney General's office.

*Utilized the Idaho Study Plan to increase operator's knowledge of water and waste water systems.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Certificates renewed	625	Increasing
Examinations given	54	Unknown
New certificates issued	39	Unknown
Temporary permits issued	36	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	ECONOMIC DEVELOPMENT AND REGULATION	2
MAJOR PROGRAM AREA	▶	OCCUPATIONAL	3
ADMINISTERING AGENCY	▶	WATER WELL CONTRACTORS EXAMINING BOARD	1520
Administering Agency's PRINCIPAL GOAL(S)	<p>Promote the conservation of underground water resources and enforcement of sanitation standards in water well construction.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Water Well Contractors' Licensing and Regulation		\$4,226
▶			<u>\$4,226</u>

OVERVIEW

Our licensing and regulation program has been continued in an effort to license all practicing water well contractors. One hundred fifty contractors were issued licenses for 1970-71, including ten newly licensed contractors. These contractors know the Montana Ground Water Laws and sanitary standards for water well drilling; know the types of water well construction and applicable equipment; possess adequate drilling equipment; and have demonstrated financial responsibility by posting a \$1,000 bond payable to the State of Montana. Enforcement of the rules and regulations governing water well contractors has assured the public of properly constructed water wells that adhere to sanitation standards.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Require all domestic water wells regardless of depth to be constructed by a licensed water well contractor or by the individual land owner.*

ooo It is necessary that all domestic wells be properly constructed to protect the health of those using underground water. There are several places in the State with a high watertable and good water is found at 20 to 25 feet. But, if water wells are not properly constructed, they could pollute large underground water sources.

2. Applicable statutes should be changed to provide for two additional board members representing the industry, to officially serve on the Water Well Contractors' Examining Board.

◦◦◦ The present board consists of the Director of the Division of Environmental Sanitation of the State Board of Health, the State Engineer (now Director of the Water Resources Board), one member appointed by the governor, and one non-voting member who is a technical advisor hydrogeologist appointed by the director of the Montana Bureau of Mines and Geology. It is impossible to hold a meeting if one of the board members fails to appear as one member acts as the chairman and there is no one to second a motion. With only three members, if one does not desire to second a motion, the motion is dead. The new board members should come from the industry so the industry would be properly represented.

ANALYSIS OF PROGRAMS

PROGRAM ► WATERWELL CONTRACTORS' LICENSING AND REGULATION Cost \$ 4,226

◦GOALS

Promote the conservation of underground water resources and enforcement of sanitation standards in water well construction.

◦OBJECTIVES

Administer the water well contractors' examination and issue licenses to qualified candidates in a fair and equitable manner. Publish and enforce, by an effective inspection program, reasonable rules and regulations pertaining to the water well drilling profession.

◦ACHIEVEMENTS

*Eleven water well contractors examinations were given. Ten individuals were successful and initial licenses were issued effective until June 30, 1970.

*One hundred forty licenses were renewed and eight licenses were discontinued.

*The inspector, employed 53 days, visited the premises of all licensed contractors to check their equipment for proper labels and to assure equipment owned by unlicensed contractors was not being used. Because of the inspector's efforts, two out-of-State contractors were licensed, one contractor from in-State was licensed, and one contractor left the State with a warrant for his arrest should he return to drill wells.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Examinations administered	11	Stable
Licenses issued (new)	10	Stable
Licenses issued (renewals)	140	Stable
Water well inspection reports prepared	103	Stable

GOVERNOR'S ANNUAL REPORT

Function ► **EDUCATION**

<i>Agency</i>	<i>Page</i>
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Superintendent of Public Instruction	162
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PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	PRIMARY AND SECONDARY EDUCATION	SOCIAL EDUCATION ADMINISTRATION 1/3/4
ADMINISTERING AGENCY	▶	SUPERINTENDENT OF PUBLIC INSTRUCTION	0280
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Encourage the provision of effective pre-school education and assure the provision of quality elementary, secondary and continuing vocational education in Montana.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Central Management		\$ 357,721
01	General Support For Schools Educational Program		427,735
02	Administer Financial Support For Schools		121,108
03	Data Processing Services		96,359
04	Develop Vocational and Occupational Skills		222,933
05	Develop Basic Skills		1,019,476
06	Develop Academic and Professional Skills		63,807
07	Research, Planning, Development and Evaluation		77,322
08	Distribution to Public Schools		44,978,537
09	Distribution For Special Education		2,717,532
▶	TOTAL		<u>\$50,082,530</u>

OVERVIEW

Significant accomplishments during the fiscal year included the establishment of 12 educational goals and priorities on the basis of identified educational needs of Montana; the creation of task forces to develop strategies for attaining these goals; a reorganization of the State Superintendent's office to provide management by objectives and more efficient, effective state leadership; and the implementation of a research, planning, development and evaluation component to provide a permanent capability for educational planning.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *The maximum General Fund budget schedules used for the determination of the school foundation program should be adjusted by 24% to 28% to compensate for the inflationary economy that has been experienced since fiscal year 1968.*

ooo In adjusting the maximum General Fund budget schedules for schools, the Forty-first Legislative Assembly used fiscal year 1968 as a base year. In the two fiscal years since that adjustment, inflation has increased the cost of education by 13% and the inflationary trend is continuing at the same rate. Any adjustment that is made of the schedules by the Forty-second Legislative Assembly will not become effective until fiscal year 1972. The recommendation is made, therefore, on the basis of compensating for the inflation that will have been realized over four fiscal years.

2. An adequate amount of state funding should be made available to finance the entire State obligation under the school foundation program for the 1971-73 biennium.

◦◦◦ During the 1969-71 biennium, the State will not be able to finance its total obligation for the equalization of the foundation program. In the 1970 fiscal year, the State equalization aid payment of 30.2 million dollars was 8.8 million dollars short of financing the total State obligation. Estimates indicate that the 1971 fiscal year State equalization aid payment will be 9.2 million dollars short of financing the total State obligation.

3. Existing State statutes concerning special education should be revised to require annual school district reporting of special education expenditures.

◦◦◦ Section 75-5003, R.C.M. 1947, makes provision for reimbursement for special education programs in Montana schools. However, no statutory provision has been made for accountability of special education expenditures to the State Superintendent. Requiring fiscal accountability will insure proper and appropriate expenditures have been made for educating handicapped children.

4. Existing State statutes should be amended to broaden the definition of "handicapped" children to include children with learning disabilities.

◦◦◦ Section 75-5001, R.C.M. 1947, recognizes that special education is required for children who are mentally or physically handicapped. Children with learning disabilities are also handicapped, but their special needs are not recognized under existing statutes. Special education must be provided for this group of children if their maximum potential is to be realized.

5. Pupil transportation reimbursement schedules should be adjusted to increase the amount of reimbursement made to individuals and school districts to compensate for the inflation of transportation costs since 1941.

◦◦◦ The last adjustment of pupil transportation reimbursement schedules was made in 1941. Since that time, the cost of transporting pupils to and from school has more than tripled. Since the reimbursement schedules contain one schedule for bus transportation and another schedule for the individual providing his own transportation, an adjustment should take both schedules into consideration.

6. A total of \$11,000,000 should be appropriated to support vocational education programs at secondary and post-secondary levels and to support facilities construction at State designated post-secondary vocational-technical centers.

◦◦◦ The demand for vocational education programs has exceeded the ability of the State to support such programs at the present level of funding. Increased emphasis is being placed on vocational education at elementary, secondary, post-secondary and adult levels. Additional State funds should be appropriated to supplement local and federal funds so that Montana schools may offer comprehensive vocation education opportunities for all our citizens.

Two of the State's post-secondary centers are woefully lacking in suitable facilities for conducting vocational and technical education programs. Because of marked increases in enrollments over the past two years at two other centers, additions to the present facilities are required. Of the recommended appropriation, \$5,000,000 would provide funds to supplement other monies to be provided for facilities construction at State centers.

7. Funds should be made available for full-time supervision in the areas of art, conservation education, social studies, facilities planning, and health and physical education.

◦◦◦ The expansion of programs and the knowledge explosion make it impossible for the State to provide effective leadership in curriculum development unless these positions are filled with competent, full-time staff. To attract qualified persons, competitive salaries must be budgeted. In addition, travel allowances are needed if these supervisors are to fulfill their responsibilities in assisting local schools to develop and to strengthen curricular offerings.

8. Appropriate action should be taken to make necessary funds available for matching the federal requirements for State participation in the National School Lunch Act.

◦◦◦ A recent amendment (P.L. 91-248) to the National Lunch Act requires graduated increases in State matching funds over the next several fiscal years from 4 per cent beginning with fiscal year 1972 to 10 per cent by fiscal year 1978.

9. Categorical incentive appropriations in the amount of \$150,000 should be provided to foster the development of exemplary programs in drop-out prevention at the local school level.

◦◦◦ The use of categorical aid approaches in state school finance could be an effective approach to fostering program development in areas of critical need. This approach has stimulated considerable field activity through such Federal programs as Title III of the Elementary and Secondary Education Act. The fact that the drop-out problem is critical has been documented at Federal, State and local levels.

ANALYSIS OF PROGRAMS

PROGRAM ► CENTRAL MANAGEMENT Cost \$357,721

◦GOALS

Provide internal services of supporting nature which are necessary to the operational core of the agency. These services include accounting, budget control, component management, executive management, purchasing and inventory, staff services, publishing and editing.

◦OBJECTIVES

Anticipate and provide efficiently and economically, the management tools needed to meet the increasing service requirements and demands of a rapidly expanding governmental agency.

◦ACHIEVEMENTS

*Accounting procedures were modified and improved to handle increased claim activity without an increase in staff.

*Costs to other programs within the Office of the Superintendent of Public Instruction for financing the activities of central management during the fiscal year were reduced from those of the previous fiscal year even though additional services were provided.

*Changes in the inventory system provided central management with a more descriptive catalog of office inventories than had been available previously.

*Installation of an automatic eight collator increased the hourly production rate of collated sets while reducing the staff required for this operation. Expanded copying services were provided through the addition of a Xerox 3600 with a 20-bin sorter and through the placement of two smaller copying machines in office locations outside the main Capitol office.

*The MONTANA EDUCATION DIRECTORY was completely revised to make information about Montana schools and education more meaningful and readily available. Over 5,000 copies of the improved publication were sent to educational personnel and other interested persons throughout Montana and the United States. More than 80 news releases (an increase of 45 over the previous fiscal year) were sent to the media to inform Montana citizens about educational activities and expenditures.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► GENERAL SUPPORT FOR SCHOOLS EDUCATIONAL PROGRAM Cost \$427,735

◦GOALS

Provide basic services to schools through the distribution of supplies and funds necessary to conduct elementary and secondary education in Montana.

◦OBJECTIVES

Provide an equitable distribution of funds and services available through the subprograms for the enrichment of the educational process at the local level.

Effectively communicate with district personnel to identify and respond to educational problems through compilation and distribution of reference publications and through administration of federal support programs.

◦ACHIEVEMENTS

*Initiated breakfast programs for elementary school children in districts wishing to participate.

*Additional support was provided for schools as additional aid was made available from federal sources.

*Initiated an agreement to obtain surplus property from overseas military bases, thus providing a greater variety of useable materials at lower costs than previously provided.

*Obtained 243 new educational films and acquired 130 additional prints of heavily used educational films.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Film requests for local schools processed and filled	65,000	Increasing
School lunches served	10,376,948	Increasing
Half pints of milk served	5,239,609	Increasing

PROGRAM ► ADMINISTER FINANCIAL SUPPORT FOR SCHOOLS.....Cost \$121,108**◦GOALS**

Apportion funds in accordance with statutes so that each school district receives its legal entitlement.

◦OBJECTIVES

Allocate state interest and income money, state equalization aid, state impact aid and state transportation reimbursement to school districts in accordance with State statutes.

Gather, develop and disseminate accurate and meaningful educational statistics relative to financial operation, student population and physical facilities of each school district.

Provide the assistance and services requested by school districts and citizens within the limitations of available data, time and personnel.

◦ACHIEVEMENTS

*Apportioned financial support for schools on a legal basis.

*Developed and disseminated accurate and meaningful educational statistics.

*Improved efforts to keep the public fully informed on financial and statistical matters related to education.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► DATA PROCESSING SERVICES.....Cost \$ 96,359**◦GOALS**

Provide computer assistance to all programs of the Office of the Superintendent of Public Instruction and to certain local school districts.

◦OBJECTIVES

Continue existing computer services and to expand services for greater utilization by school districts in conjunction with the Research, Development, Planning and Evaluation program of the State Superintendent's Office.

◦ACHIEVEMENTS

*Preparation continued in the 1970 fiscal year for providing data processing services to Montana school districts with emphasis on no-charge class scheduling services. Class scheduling services were increased from 35 participating school districts in fiscal year 1969 to 41 participating school districts in fiscal year 1970.

*Operational costs of the program were minimized with resultant savings being utilized to finance the addition of hardware facilities required for future program service expansion.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► DEVELOP VOCATIONAL AND OCCUPATIONAL SKILLS.....Cost \$222,933

◦GOALS

Assist in providing equal vocational education opportunities to all individuals of all levels of ability and achievement desiring such training.

◦OBJECTIVES

Provide leadership to school districts and other agencies in planning, implementing and conducting vocational education programs. Provide supervisory services by direct communication with teachers, school administrators and other cooperating agency personnel through workshops, conferences and consultative visits.

Develop a comprehensive post-secondary vocational-technical system and encourage districts to conduct programs for disadvantaged and handicapped persons; cooperative programs with industry and labor; and exemplary programs for small high schools.

◦ACHIEVEMENTS

*Developed and implemented 20 special vocational education programs designed to prepare handicapped or disadvantaged persons for employment or advanced training in vocational skills.

*For the first time, summer on-the-job vocational education programs were developed and implemented with the cooperation of industry and labor. Following the completion of training, 75% of the students participating in these programs continued to be employed.

*Designed and implemented five exemplary programs to provide prevocational job orientation training at the junior high school level in small schools or to provide comprehensive, multi-occupational approaches to prepare students for entry into post-secondary vocational-technical centers.

*Approved more than 300 vocational programs for school districts and institutions. These programs were offered to approximately 19,000 secondary students. More than 2,000 students completed full-time occupational training in the five-state, post-secondary vocational-technical education centers. An additional 3,000 persons received training on the adult educational level at the centers. Community colleges and Northern Montana College trained another 800 persons for employment in vocational skills.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Post-secondary vocational education enrollment	2,064	Increasing
Vocational education projects	490	Increasing
Manpower trainees	875	Increasing
Students apprenticed to various trades	855	Increasing

PROGRAM ► DEVELOP BASIC SKILLS..... Cost \$1,019,476**◦GOALS**

Develop equal educational opportunity for all Montana students by providing services and direction for improving classroom instruction and the quality of educational programs in Montana schools.

◦OBJECTIVES

Disseminate information on curricula, instructional methods and resources available to teachers and other school personnel for purposes of strengthening and improving instruction.

Continually improve the quality of classroom instruction available to groups of educationally disadvantaged students.

◦ACHIEVEMENTS

*Face-to-face contact with approximately 4,000 teachers and school administrators resulted in such diverse accomplishments as the initiation of 48 new special education programs; the revision of accreditation standards; the establishment of an elective English curriculum; and a completely televised mathematics curriculum employing video tape recording.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Workshops and conferences	121	Increasing
School visitations	760	Increasing

PROGRAM ► DEVELOP ACADEMIC AND PROFESSIONAL SKILLS..... Cost \$ 63,807**◦GOALS**

Improve the professional skills of Montana teachers; to provide guidance services to disadvantaged students; and to provide career opportunities in education to disadvantaged adults.

◦OBJECTIVES

Provide program development in teacher and teacher aide preparation; General Educational Development administration and testing; and guidance services for disadvantaged students seeking post-secondary educational opportunities.

◦ACHIEVEMENTS

*Prepared an inter-agency drug abuse education training project for a target population of 800 Montana teachers which was funded in the amount of \$40,000 under the provisions of Part D of the Education Professions Development Act (EPDA).

*Under Part B-2 of EPDA, projects were approved to train 39 teachers and 175 teacher aides during the fiscal year.

*Two Career Opportunities Programs, one associated with the Helena Model Cities Program and the other associated with community action programs on the Crow and Northern Cheyenne Indian Reservations, began operation. A total of 75 trainees were enrolled. In addition, program staff provided planning assistance for the development of a program for 15 trainees on the Rocky Boy Reservation.

*The Project Talent subprogram provided guidance and counseling to 2,534 students during its three years of operation. Of these students, 1,059 were placed in post-secondary programs. An unknown number of students not placed were considered to be potential dropouts but have remained in high school.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
GED tests processed	1,693	Increasing
High school equivalency certificates issued	1,114	Increasing

PROGRAM ► RESEARCH, PLANNING, DEVELOPMENT AND EVALUATION Cost \$ 77,322

◦GOALS

Assist the State Superintendent in designing and developing long range plans for the improvement of Montana education.

◦OBJECTIVES

Establish a component in the State Superintendent's Office with sufficient staff and resources to develop a planning and evaluation capability for state-administered federal and state educational programs and to provide planning assistance to school districts.

◦ACHIEVEMENTS

*The program staff prepared a proposal for developing a permanent planning and evaluation capability under the provisions of Section 402 of ESEA Title IV. The proposal was approved by the U. S. Office of Education with federal funding being provided in the amount of \$96,000 for the 1971 fiscal year.

*Provided planning assistance for school districts which resulted in federal funding for an inter-agency cooperative program in bilingual education for three Indian reservations; a Teacher Corps program for 40 teachers conducted by Eastern Montana College; and a technical assistance project to train vocational and technical educators which has been funded under Part F of EPDA.

*Contributed to the production of approvable federal applications for four projects which were funded for a total of \$423,000 and which will serve approximately 80 educators, 380 students, and one institution of higher learning.

*Other significant achievements included: assistance to three district ESEA Title I planning projects; participation in the initiation of a shared services program involving 12 districts in Ravalli County; data gathering for an educational television feasibility survey; organization of a system to disseminate educational research materials to local school personnel; and direction of five in-service programs which trained 144 district personnel in the Research Utilizing Problem Solving (RUPS) technique.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► DISTRIBUTION TO PUBLIC SCHOOLS Cost \$44,978,537

◦GOALS

Distribute equitably and within the guidelines of the law, various State and Federal monies available to eligible school districts and other institutions.

◦OBJECTIVES

Equitably distribute all available State and Federal funds to eligible school districts for numerous general and categorical aid purposes.

◦ACHIEVEMENTS

*\$30,236,571 was distributed to the 633 school districts entitled to receive state equalization.

*State transportation reimbursement monies in the amount of \$1,272,879 were distributed to 702 school districts entitled to such reimbursement.

*Under ESEA Title I, \$2,429,587 was distributed to 135 projects for disadvantaged children in school districts.

*ESEA Title III funded eight continuing innovative educational projects and five new projects for a total of \$535,518.

*Approved 64 school district projects and obligated \$405,885 in Johnson-O'Malley funds for the improvement of Indian education programs in Montana schools.

- *131 driver education programs were approved for a State fund commitment of \$316,125.
- *Reimbursement to schools for all food service programs was \$1,074,551, representing a 58.8 per cent increase over the previous fiscal year. Under the Non-food Service Assistance Program, 12 schools were reimbursed \$71,737 for equipment needed to initiate school food service programs. Schools participating in food service programs received 67,582 unit cases of agricultural commodities representing a dollar value of \$865,537.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► DISTRIBUTION FOR SPECIAL EDUCATION Cost \$2,717,532

◦GOALS

Equitably distribute all available Federal and State funds in accordance with Federal and State statutes to school districts and other agencies for professional, vocational and occupational training.

◦OBJECTIVES

Equitably distribute to schools and other agencies all available financial assistance for professional and non-professional training in the fields of general education, vocational education and education for the handicapped. Funds to be distributed include those for: manpower training; training of leadership personnel for education of the handicapped; adult basic education; education professions development; and vocational education.

◦ACHIEVEMENTS

- *Distributed \$679,355 in Federal funds and \$23,949 in State funds to school districts and private schools for the support of manpower training programs.
- *Expended \$54,779 in Federal funds to prepare professional personnel for the education of handicapped children.
- *Obligated \$121,288 in Federal funds to support adult basic education programs.
- *Distributed \$43,268 in Federal funds for the training of teacher aides.
- *Obligated and/or disbursed \$1,770,056 in Federal funds and \$1,474,449 in State funds to school districts for the support of vocational education programs.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION/ADMINISTRATION	2/4
ADMINISTERING AGENCY	▶	EXECUTIVE SECRETARY MONTANA UNIVERSITY SYSTEM	1286
Administering Agency's PRINCIPAL GOAL(S)	Provide effective planning, policy and coordination for the Montana University System.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 71,252
01	Student Assistance		289,898
02	Higher Education Facilities		63,374
▶	TOTAL		<u>\$424,524</u>

OVERVIEW

During the fiscal year we completed our re-codification of higher education laws for submission to the Legislature. Also, we completed the first comprehensive policy statement regarding "Role and Scope" for the various units of the System. We will continue our assistance in processing and funding of student loans and work study and scholarship programs. Of major importance to our programs is the need for additional personnel in the areas of high school-college relations and in various phases of management services at the unit level.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated to provide for a state coordinator for high school-college relations.

ooo The High School-College Relations Committee, composed of representatives from high schools and colleges together with the endorsement of the Montana University System Council of Presidents, has requested that this position be established to enhance the performance of this function.

2. Additional funds should be appropriated (\$200,000) to establish an institutional study office at each University unit.

ooo A program of evaluation has been developing in all areas of management for the past three years. This program framework is established in all areas of finance, facilities and projects. The Montana University System has been doing this on a cooperative, but piecemeal basis. Despite the tremendous need for a valid evaluation base, unless added resources at the unit level are available and unless the completion of

the task is assigned to a specific person or job assignment, it does not appear as though it can be completed or maintained with sufficient detail or expertise to make our current or future effort worthwhile.

3. Additional funds should be appropriated to the Regents of the Montana University System, to be used by them on a grant basis to the units for instructional research studies.

ooo Curriculum evaluation is a difficult task for the Board of Regents. Also, evaluation of instructional processes by institutions is difficult. One method to enhance the capability of performing work that would provide good information to the regents, as well as the units, would be to permit the allocation of specific funds for use in instructional research studies.

4. Additional funds should be appropriated to the Regents of the Montana University System, to complete a study of the governance of higher education in Montana.

ooo There is a need in Montana for establishing State policy on the governance of education. This includes the need for correlation of all levels of education—elementary, secondary, vocational, vocational-technical, adult, continuing, extension, community colleges, the University System and perhaps some elements of private education. Most of the relationships established today are a study in division, distinction and separateness rather than governance and coordination.

5. Additional funds should be appropriated for the University System to be used for library holdings improvement (allocation to be made by the Regents of the Montana University System).

ooo One significant area of need for all units of higher education is improvement of library services.

6. Legislative appropriation should be increased for matching funds so that loans can be guaranteed to additional students.

ooo This program is of increasing concern as the cost of education to the student increases. If costs continue to increase, the added burden may cause some students to be excluded solely because of cost. One way to assist on the basis of need is to expand opportunities for grants and loans.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 71,252

◦GOALS

Effectively serve as the coordinating agency for the six units of higher education in Montana and the Regents of the Montana University System; and as a secretariat for the various functioning system-wide committees.

◦OBJECTIVES

Facilitate the flow of information between the six units of the Montana University System, the Regents of the Montana University System, and those State and Federal agencies that interact with the programs of higher education.

◦ACHIEVEMENTS

*Established this office as a secretariat for the Council of Presidents, the Business Managers Association, the Faculty Benefits Committee, and several other state-wide inter-unit councils.

*Establish a system-wide committee for the distribution of public information.

*Completed a first draft of a Board Policy Handbook. Because the 1969 Legislature expressed an interest in our requested re-codification of higher education laws, we have, through the support of the Montana Legislative Council and with the work of a team from the University of Montana Law School, prepared a code revision for submission to the next Legislative Session.

*Completed a basic statement of Role and Scope for the various units of the Montana University System. This is the first comprehensive policy statement of this kind relating to the public units of higher education adopted by the governing board in the history of Higher Education in Montana.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► STUDENT ASSISTANCE.....Cost \$289,898

◦GOALS

Provide financial assistance to students on the basis of need and qualifications.

◦OBJECTIVES

Comply with Legislative intent and applicable statutes.

◦ACHIEVEMENTS

*Assisted in processing and funding student loans, work-study and scholarship programs. Approximately 516 High School Honor Scholarships were awarded.

*Processed applications for student assistance under the Western Interstate Commission for Higher Education (WICHE) program. Students were given assistance in the field of medicine, dentistry and veterinary medicine during the 1969-70 school year.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
High school honor scholarships	516	Increasing
Students assisted under WICHE Program	108	Increasing

PROGRAM ► HIGHER EDUCATION FACILITIES.....Cost \$ 63,374

◦GOALS

Effectively coordinate, initiate and administer funding and facilities planning for all institutions of higher education.

Administer the distribution of federal funds granted for the construction of academic facilities and for instructional equipment.

Promote more cooperation between institutions and communities in serving the educational, social and economic needs of society through the Special Opportunity Grant Program.

°OBJECTIVES

Initiate, coordinate and administer facilities planning activities, including: campus mapping; facilities inventory; room utilization studies; enrollment projections; space need analysis; and long-range building programs.

Collect, process and distribute enrollment and facilities statistics.

Initiate and maintain a State plan and priority rating system for distribution of grants for construction of academic facilities and acquisition of instructional equipment.

Determine the feasibility of Montana College of Mineral Science and Technology and the City of Butte sharing a cultural fine arts facility and the production of a preliminary architectural solution for such a facility.

°ACHIEVEMENTS

*Updated and maintained a facilities inventory of all existing facilities used by institutions of higher education in Montana, including the six units of the Montana University System.

*Revised and maintained an input and output reporting system of facilities inventory data through the Montana University Computing Center.

*Performed a room utilization study of classrooms and class laboratories in cooperation with the six units of the Montana University System.

*Established a framework for performing a space need analysis and coordinated submittal of the Long Range Building Program through the Department of Administration to the 1971 legislative assembly.

*Coordinated facilities planning activities for a Special Opportunity Grant to explore the feasibility of a shared educational facility between Carroll College and the City of Helena.

*Compiled and distributed a facilities planning guideline manual for use by all institutions of higher education in Montana.

*Published long-range facilities needs for the years 1969 through 1979 for all institutions of higher education in Montana.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	UNIVERSITY OF MONTANA	1280
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide high quality instruction for men and women on equal terms in all departments of science, literature, the arts, and industrial and professional education.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration and General Expense		\$ 958,652
01	Instruction and Departmental Research		7,595,719
02	Library		788,767
03	Physical Plant Operation and Maintenance		1,477,618
04	Organized Research		467,640
05	Extension and Public Service		86,207
▶	TOTAL		<u>\$11,374,603</u>

OVERVIEW

We have continued to improve our standing in the educational field by adding new courses which have greatly expanded our capabilities in the area of masters' degrees and added significantly to the overall effectiveness of the academic function of the University. Various building and renovation projects were completed which helped to partially alleviate problems associated with increasing enrollments. Many significant research studies were made in the areas of: air and water pollution; forest and range ecology; water yield and quality; and various special projects conducted for numerous agencies and organizations within the State. Keeping the University running smoothly so that quality education and effective research can be provided will continue to be of major concern. The recruitment and retention of qualified, dedicated personnel will enhance the efforts of instruction, research and administration. Additional facilities and the renovation of certain existing facilities will also contribute to achieving effective education. Academic undergraduate and graduate programs must be strengthened and organized research expanded if we are to continue to provide high quality education programs to students and services to the State.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Funds should be appropriated (\$7,300,000) for Phase I and Phase II construction of the new library.

ooo A major factor in meeting the demands of expanding graduate programs and increasing enrollments at all levels of study is the new library. The present library building is one of the items mentioned in the last accreditation audit as being deficient and one where the University should make major improvements to maintain quality.

2. Additional funds should be appropriated to fund new administrative positions, a management information system, and a central mail facility.

ooo New Administrative Positions: Even though student enrollment at the University more than doubled during the past decade, there was only a small increase in the number of major administrative positions. Real needs exist at the University for the following administrative positions, which appear in order of priority: supervisor of data processing; systems analyst; budget officer; internal auditor; property manager; assistant dean of students; and student counselors. A management information system is needed to provide planning, programming, budgeting and to completely revise the present accounting system. A central mail facility is needed to eliminate the many duplicate address files on campus and reduce substantially the cost of the mail service operation.

3. Funds should be appropriated (\$13,330,000) to provide for important construction projects, land acquisitions, renovations, major maintenance, site development and preliminary planning.

ooo The accreditation audit recently completed for the University of Montana was partially qualified—partly because of deficiencies in physical plant. Seven buildings with a combined total of 194,383 square feet of space were cited as inadequate due to substandard lighting and the lack of resources and facilities for instruction and research. All of these buildings are 50 years old or older.

4. Additional funds should be appropriated (\$400,000) for the purchase of a new third-generation computer for the Administrative Program, which also has instructional and research capabilities.

ooo To effect major modifications and to increase efficiency in general administration, modern computing facilities are essential. Present administrative computing facilities operate three shifts to accomplish the normal workload, with no latitude available for down-time or occasional peak demands.

5. Additional funds should be appropriated to provide for immediate needs for materials in the Library Program.

ooo It is essential that present programs be strengthened through library holdings if the University is to continue to give high quality instruction and foster research.

6. Funds should be appropriated to provide for additional professional and support positions for Phase I of the new library building.

ooo Additional personnel will be needed by the time the new library building becomes operational to implement the service pattern and organization for which the building is designed.

7. Funds should be appropriated to provide for the basic operation of the library, in the following categories: temporary and part-time help; equipment and supplies; and binding costs.

ooo The increased scope of all library operations in the coming years will involve more material, more handling, more procedures and more service points.

8. Additional funds should be appropriated to provide for the installation and operation of teletype equipment.

ooo Teletype equipment is needed to facilitate the library's participation in cooperative networks, and to augment inter-library loan operations.

9. Existing and recently established academic programs should be strengthened and sustained through planned graduation of biennial State appropriations.

ooo Recent advances in the frontiers of the physical, life and social sciences, as well as new developments in health-related sciences and the professional disciplines, make strengthening imperative if we are to continue to provide high-quality academic programs at minimum cost to students and to the State. Faculty salaries will also receive particular attention in an effort to retain present faculty and to attract to the campus eminently qualified scholar-teachers and researchers. In this respect, the University is in a less than reasonably competitive position compared with comparable Western institutions.

10. Continued and expanded financial support of established graduate programs should be assured.

ooo To maintain levels of excellence commensurate with regional and national standards, the University needs to establish an optimum graduate and professional student-faculty ratio of 4 to 1. This ratio is designed to meet the requirements of specialized, complex and highly sophisticated instruction, especially in the sciences, each of which, together with appropriate instrumentation, is essential to the integrity of the graduate program.

11. Additional funds should be appropriated to support the research efforts and activities of the Bureau of Business and Economic Research.

ooo With the Montana Economic and the Fiscal Affairs studies completed, the Bureau will be a prime source of both general and specific information on Montana's economy. Of prime consideration is the maintenance and updating of these analyses so that the Bureau can continue to be a source of fiscal-economic information.

12. Additional funds should be appropriated (\$150,000) to support the Forestry Research Program.

ooo We must find better ways to capitalize on the economic value for our resources, while fully protecting the natural resources is paramount. This will require ever increasing amounts of information and knowledge—which can only come from an accelerated research program. Additional State support is crucial if we hope to have sufficient matching money to qualify for the expected increase in McIntire-Stennis allotments from the U. S. Department of Agriculture.

13. Additional funds should be appropriated for the direct support of faculty research.

ooo Many academic disciplines find it extremely difficult, and often impossible, to locate sponsors for their research proposals which are so vital in maintaining professional competence for the individual and for the operation of a graduate program.

14. Additional funds should be appropriated to improve and extend the services of the University of Montana to the citizens of the State.

◦◦◦ Funding to support this important role of the University would provide money for matching and cost-sharing which is required by Federal programs. The training and research activities we are asked to do, and are capable of providing, are costly. The services are crucial to Montana communities and their citizens.

15. Additional funds should be appropriated to expand programs in government research and service.

◦◦◦ There is presently no public or private organization in this State equipped with the resources to conduct a continuing program of government research and service. The Bureau of Government Research has been able to conduct limited—but effective—programs since its reactivation in the mid-sixties. Lack of staff, physical facilities and financing, however, has hampered major efforts to develop a systematic research and service program.

16. Additional funds should be appropriated to expand the Extension and Public Service program.

◦◦◦ This program must be fiscally strengthened to afford the University greater opportunities to provide students and adults with means to continue their development as citizens of the State.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION AND GENERAL EXPENSE..... Cost \$958,652

◦GOALS

Effectively provide the day to day administration and formulate the policies and procedures necessary for the efficient functioning of the University.

◦OBJECTIVES

Keep the University running smoothly so that the primary function of teaching can be best performed.

◦ACHIEVEMENTS

*We have taken several steps designed to improve the flow of communications and, hence, effect better understanding between the University and its various on and off campus constituencies including the general public.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	7,903	Increasing

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH..... Cost \$7,595,719

◦GOALS

Provide quality education to students at both the undergraduate and graduate levels.

°OBJECTIVES

Sustain and strengthen existing and recently established academic programs. Provide continued and expanded support for established graduate programs.

°ACHIEVEMENTS

*Comprehensive planning programs have been instituted throughout the University. Ten-year planning programs have been instituted by all of the deans of the various schools, which incorporate their curriculum plans with budget and building needs projections.

*A Computer Institute for professors of business administration was held to provide faculty, and administrators with experience in utilization of the computer and computer techniques in the classroom.

*A master's degree in Art and in English (non-thesis options) were approved by the Graduate Council, Curriculum Committee and the Faculty Senate.

*The Foreign Language Department expanded its program substantially by the addition of a number of new courses, especially at the upper-division and graduate levels. This allowed them to offer a master's degree in French, German, and Spanish (non-thesis options).

*A new course, "Use and Abuse of Drugs." was expanded in the School of Pharmacy during the 1969-70 academic year. A Ph.D. program was approved also.

*A number of other new courses were started this year, such as: Indian Studies; Medical Science; Environmental Science; Asian Studies; Dental Hygiene; and various courses in Religious Studies.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Bachelor degrees granted	1,170	Increasing
Master degrees granted	269	Increasing
Doctoral degrees granted	58	Increasing
Student credit hours	351,237	Increasing

PROGRAM ► LIBRARY..... Cost \$788,767

°GOALS

Provide book and non-book materials and a variety of services to properly support the instruction and research programs.

°OBJECTIVES

Provide the books required for adequate support of the constantly expanding student body and faculty.

°ACHIEVEMENTS

*Effective additions were made to the library collection to achieve greater strength.

*Further expansion of services, both in type of service and volume of service, by the Instructional Materials Center was achieved.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► PHYSICAL PLANT OPERATION AND MAINTENANCE.....Cost \$1,477,618

◦GOALS

Effectively maintain University buildings, grounds, and furnishings, and provide supervision for construction projects.

◦OBJECTIVES

Strive to keep up with the increased use of the facilities resulting from increased enrollments.

◦ACHIEVEMENTS

*Construction projects administered: Completed—\$561,247; In Process—\$3,150,000; In Planning—\$6,356,455.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Building and renovation projects	32	Increasing

PROGRAM ► ORGANIZED RESEARCH.....Cost \$467,640

◦GOALS

Provide effective research through the various functioning units under our control.

◦OBJECTIVES

Expand the amount of research conducted while maintaining the quality of that research.

◦ACHIEVEMENTS

*Sponsored program accounting procedures have been reviewed and substantially modified to provide for more prompt reporting, greater accuracy and for improved supervision and internal control. Among the changes were consolidation of payrolls, revised numbering of accounts and computer reprogramming.

*Several basic studies were initiated on the chemistry of wood constituents. These studies are aimed ultimately at finding new uses for wood waste—which would provide the dual benefits of stimulating Montana's

economy while reducing a significant source of air and water pollution.

*Studies were completed, or neared completion, on such diverse topics as: Montana forest taxing procedures (in cooperation with the State Board of Equalization); impact of spruce budworm on the Douglas fir forests of western Montana; user characteristics and preferences in the Anaconda-Pintlar Wilderness Area; and growth model for western larch. Of special significance was the completion of a five-year progress report on the calibration of an Experimental Watershed on the Lubrecht Experimental Forest. This is a major milestone in a study designed to determine the influence of vegetative manipulation on water yield and quality. Forest and other land managers desperately need the kind of information that will come from this study.

*Prepared, published and distributed to municipal officials a 700 page "Handbook for Montana Municipal Officers". The Handbook had two primary purposes: to bring together scattered statutory provisions that regulate what municipal officers do about a particular function or concern; and to summarize these provisions in convenient, readable form for those charged with municipal responsibilities.

*Special research projects were conducted for the Montana Legislative Council; the Commission on Executive Reorganization; the Department of Planning and Economic Development; both political parties; the Missoula Interlocal Cooperation Commission; the Committee on Education of the AFL-CIO; and the Montana League of Women Voters.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EXTENSION AND PUBLIC SERVICE.....Cost \$ 86,207

◦GOALS

Effectively assist citizens and local communities in meeting social and economic problems.

◦OBJECTIVES

Maintain a vigorous program of services to the State.

◦ACHIEVEMENTS

*During the fiscal year the Extension Division experienced an increase of 1,256 registrants. For the first time during the history of extension course offerings at the University, the Division was able to show a net profit.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Extension registrants	1,836	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	MONTANA STATE UNIVERSITY	1280
Administering Agency's PRINCIPAL GOAL(S)	Provide a comprehensive undergraduate, graduate, research and public service institution, specializing in those areas assigned by the Board of Regents.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 1,064,777
01	Instruction and Departmental Research		7,853,830
02	Library		597,820
03	Physical Plant		1,214,677
04	Organized Research		224,625
05	Extension and Public Service		125,701
▶	TOTAL		<u>\$11,081,430</u>

OVERVIEW

We have continued to promote intellectual, moral and physical growth to students, who come from throughout the State, nation and world to study a variety of disciplines on the Bozeman campus. A newly formed University Forum (Student Senate, President's Forum and Faculty Policy Advisory Committee) met several times on matters of common interest. Greater effort to bring together the constituents of the campus community proved worthwhile, especially in times of stress on campus. Administrative accomplishments this fiscal year include: a new comprehensive personnel program; revised accounting procedures; and a new payroll system. Major accomplishments were also made in many areas of instruction and research. The retention and recruitment of qualified, dedicated faculty and supportive staff will continue to be of major importance. Of equal importance are the following: need for additional classroom space; facility improvements and expansion to meet the growth in enrollment; expanded programs that are concerned with minority groups; and additional support for vitally needed research programs.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated to provide an increase in salaries for staff members; to improve the student-teacher ratio; and to provide for additional clerical and supportive professional staff needed to meet increased workload.

ooo Recruitment and retention of faculty is not entirely dependent on salary levels but it is a major factor. We believe salary level goals should be competitive with comparable types of institutions in a similar economic and geographical area. In 1960-61 the student-teacher ratio was 14 to 1. This year we estimate it will exceed 18 to 1. There is a serious concern regarding maintenance of quality service.

2. Additional funds (\$4,009,340) should be appropriated to finance the construction of six major building projects.

ooo In classroom space per student at MSU, with 8 square feet per student, ranks far below the national average of 12 square feet per student and further below several other Montana units with 14 to 30 square feet per student. Many of the existing classrooms are in temporary wooden structures and others need major renovation. We now have to rent office space for faculty from the dormitory operation. Agricultural Engineering and Agricultural Production and Technology are housed now in World War I temporary barracks. Utility update is long overdue. Electrical usage is 10 times that of 1953 when the present electrical distribution system was developed. Many of the buildings on this campus are not fire safe. World War I temporary barracks that are being used for classrooms, offices, laboratories and a nursery school are some examples.

3. Additional funds should be appropriated for additional custodians and increased utility costs.

ooo Additional custodians (10) will be needed and utility costs will increase as we phase in Nursing, Physical Education Complex, Life Science and Creative Arts in the 1971-73 biennium.

4. Additional funds should be appropriated (\$35,000 yearly) to support a program in American Indian Studies.

ooo A university has an obligation in this era to work with minority groups. Certainly programs for Montana Indian groups would be the most appropriate activity for MSU. Gains have recently been made in the retention rate at the University for Indian youth and more Indian youth need to be encouraged to attend.

5. Additional funds should be appropriated for the library to adequately support the present academic program.

ooo The recent accreditation report states: "While the institution is to be commended for the increased expenditure per pupil of \$20 between the years 1966-67 to 1970-71, it is recommended that an even greater effort be made to increase this amount. The per student expenditures for library purposes during 1967-68 of forty-four selected state supported universities was \$95.50." The estimated per student expenditure for 1970-71 at MSU will be \$73.42. While we have made effort, we still lag behind. An additional appropriation for books and staff would partially bridge the gap.

6. Additional funds should be appropriated (\$30,000 per year) to support Engineering Research Administration and Electronics Research Laboratory Administration.

ooo It seems appropriate that Engineering Research Administration and Electronics Research Laboratory Administration should be financed through the Engineering Experiment Station. The major cost here is for personnel to operate the ERL stockroom and to carry on continuous calibration of scientific instruments. This facility obviously services all electrical engineering research including the Engineering Experiment Station. Furthermore, this facility must service both graduate and undergraduate instruction.

7. Additional funds should be appropriated (\$128,170 for the biennium) to continue and emphasize engineering research concerning environmental problems.

ooo The Engineering Departments engaged in research under the auspices of the Engineering Experiment Station (as reported here) are concerned with environmental problems. More emphasis should be placed here. The requested funds would provide for urgently needed staff positions needed to more effectively carry on this work.

8. Additional funds should be appropriated (\$50,000 yearly) to provide State support of water resources research.

ooo During its five years of life, the Montana University Joint Water Resources Research Center has not had a direct appropriation of State funds. Among the 50 states and Puerto Rico, Montana is apparently the only State without an appropriation to its Water Resources Research Center. This situation limits drastically the opportunity to compete for grant funds requiring matching funds. The tremendous importance of water resources in Montana suggest, also, the broad importance of direct State support for the Montana University Joint Water Resources Research Center.

9. Additional funds should be appropriated (\$23,400) to provide one-half of the matching funds required for approved Community Service and Continuing Education Programs.

ooo It is extremely difficult for institutions of higher education to meet the full matching requirement for these programs. Many good programs in Montana have not been conducted because the matching requirement was not available from the institution. Although there are certain types of educational programs that can provide some of the matching requirements from fees and other non-federal sources, we strongly recommend that the State of Montana provide partial financial support for the matching requirements.

10. Additional funds should be appropriated (\$15,000 yearly) for administrative support for the existing center for environmental studies.

ooo The 1970's may well be the decade when environmental problems receive the highest national priority. MSU has been involved in these for several years. A central office is needed to provide required coordination. No one department has the talents to separately seek solutions, offer instruction, or disseminate information on major problem areas.

11. Additional funds should be appropriated (\$24,000) for the administrative costs necessary to increase the effectiveness of the community and State service programs of the University.

ooo At the present time, the five academic colleges have available to them no administration or program funds for extension activities. At the same time, departments throughout the colleges are involved in extension and educational and problem solving efforts in response to public demand. Much of the source of program funding comes from outside the University. A small State investment related to effective administration would increase the availability of outside funding and result in more effective programs that are aimed at improving the economic and social development of the State of Montana.

12. Additional funds should be appropriated (\$30,000 yearly) for the rental of faculty office space.

ooo Due to a moratorium on building at the beginning of the last decade (and many delays since),

the construction of academic facilities has not kept pace with the enrollment increase (twofold in the '60s) MSU must rent space to house faculty until the major projects now authorized and requested are completed.

13. Additional funds should be appropriated (\$15,000 yearly) to provide for a staff member to develop and instruct in a program leading to a Master's Degree in Adult Education.

ooo An increasing demand exists for qualified adult educators in public schools, cooperative extension, community colleges and vocational schools, library services and government services, and programs such as adult basic education.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION. Cost \$1,064,777

◦GOALS

Provide direction and coordination, student administrative support, and business administration to all programs of the University.

◦OBJECTIVES

Efficient administration of student service programs, the application of good business practices to all segments of the University; and the proper utilization of all resources made available to the University.

◦ACHIEVEMENTS

*The nation's campuses in the past year have been troubled and sometimes strife-torn areas. We are proud of MSU's student body and their leaders. They have been concerned, they have acted within the system, and they have followed the great traditions of American universities. Buildings have not been burned. There has been no violence to persons. And no classes or University activities have been disrupted.

*A newly formed University Forum (Student Senate, President's Forum and Faculty Policy Advisory Committee) met several times on matters of common interest. Greater effort to bring together the constituents of the campus community proved worthwhile, especially in times of stress on campus.

*After a year's trial, computer scheduling went into effect. A saving of faculty and student time coupled with a better basis for academic management decisions resulted.

*A comprehensive Personnel Program was designed. A complete personnel administrative manual has been developed. Employee classification is almost completed and salary schedule studies are in their final stages.

*The University began establishing an internal audit program by employing a certified public accountant. During the fiscal year this individual has reviewed existing accounting practices and updated accounting procedures and accounting records. During the next fiscal year he will initiate the development of a comprehensive internal audit program.

*A Business Systems Analyst and two Programmers were added to the staff. During the year these individuals designed an entirely new and comprehensive payroll system which was implemented on July 1, 1970.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	7,718	Increasing
Out-of-state percentage	15	Stable

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH..... Cost \$7,853,830

°GOALS

Provide effective programs in the area of Liberal Arts, Natural Sciences, Social Studies, Humanities, Engineering, Agriculture, Education, Home Economics, and a variety of programs in the creative arts and professions.

°OBJECTIVES

Make available special programs that are developed by the Indians for their people.

Develop a larger and more organized effort to evaluate and improve the educational programs.

Expand field trips and develop opportunities for students to experience first-hand significant situations in government, sociology, and economics in a variety of areas.

°ACHIEVEMENTS

*This University's 20,000th degree was awarded in August of 1969.

*Three new programs were recommended to and approved by the Regents: Master of Science in Earth Science; Master of Science in Veterinary Science; and Doctorate in Veterinary Science.

*A trial program involving added counseling for Montana Indian students confirms that a significant gain can be made on a critical problem of previous years—retention of the Indian student in the university.

*In a recent accreditation report many academic departments were praised for the quality of subject matter and instruction.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Bachelor's degrees	1,171	Increasing
Master's degrees	231	Increasing
Doctoral degrees	39	Increasing

PROGRAM ► LIBRARY..... Cost \$597,820

°GOALS

Provide for all users the historical and current information related to the various academic, research, and public service programs conducted by the University.

°OBJECTIVES

To acquire and maintain both current and historical books, periodicals, bulletins, and other materials utilized in the instructional process.

°ACHIEVEMENTS

*By moving to the fourth floor and the expanded area, it was much easier to organize Archive materials and to provide services to patrons. This has also resulted in a greatly accelerated awareness of the Archives to the departments on campus.

*The Yellowstone Park project has been completed and we now have the Yellowstone National Park Archives on microfilm.

*Discussions have been and will be held with librarians from the State Historical Society, the Montana University System Units and others to maximize the use of resources. Areas of particular emphasis need not always be duplicated.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Periodical titles received	4,972	Increasing
Additions to book collection	24,071	Increasing
Circulation of general books	94,792	Increasing

PROGRAM ► PHYSICAL PLANT.....Cost \$1,214,677

°GOALS

Provide for the efficient operation and maintenance of all the buildings and grounds of the University.

°OBJECTIVES

To maintain and operate the physical facilities in a manner which will maximize the utilization of the University's properties.

°ACHIEVEMENTS

*As the result of a study on the Campus Outdoor Lighting System, an increased level of illumination will be installed to prevent vandalism and reduce the opportunity for other acts of violence, as well as promote vehicular and pedestrian safety on campus.

*Maintenance, renovation and minor remodeling have been completed as funds permitted. A satisfactory level of Physical Plant services has been provided for all programs. One major factor in maintaining a university free of disturbances and violence in 1969-70 was the considerate and capable actions of the Montana State University security forces.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Building program (millions):		
Under construction	\$ 2.4	Varies
Architectural planning (funds authorized)	\$11.5	Varies
Educational planning (requires funding)	\$ 3.1	Varies

PROGRAM ► ORGANIZED RESEARCH..... Cost \$224,625

◦GOALS

To provide support for the instructional programs and contribute to the solution of important problems of the State and the Nation.

◦OBJECTIVES

Develop opportunities for students to participate in research programs which give practical experience, financial aid and thesis topics.

Provide for the faculty to keep up-to-date technically to engage in research as well as to teach.

Promote the economic development of Montana by: creating activity or industry here; attracting out-of-state money for research; and solving problems and rendering service to Montana agriculture and industry.

◦ACHIEVEMENTS

*The research and development projects were performed under the direction of senior staff members but almost all of the tests and data analysis were conducted by students. These students worked closely with the professionals, learning the theory behind each experiment, the procedure and statistics of data reduction and the nature of making conclusions.

*In the Bio-Medical field, a project concerned with the determination of the characteristics of innocent and stenotic cervical bruits was completed. The study showed that it is possible to construct a reliable method of diagnosis for the cervical bruit based on the energy density spectrum. The results of this project (performed in conjunction with the Montana Heart Association) have been published in the American Heart Journal.

*Systems program personnel designed and simulated a matrix oriented cellular computer which has applications in the filtering and control of dynamic processes. Because of its parallel structure, this computer has signal filtering capabilities which exceed those of present computer systems. Using the concepts of parallel data processing and large-scale integrated circuits, a very efficient special-purpose computer has been designed which can be used to transmit data at high speed with almost no error or distortion. The structure of this computer can also serve as the basis for other devices to perform related but different data-processing tasks.

*During the year the Water Resources Research Center has: provided consultation on the feasibility studies of two proposed conservancy districts in Montana; produced research information regarding the Bozeman Creek Watershed which influenced its being opened to public use after being a closed watershed for 50 years; undertaken research work on rewriting of the Montana Water Code; contributed to the development of the State Water Plan through research on a planning model and a case study in the Bitterroot Valley; and provided leadership in a major weather modification research program in Montana.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EXTENSION AND PUBLIC SERVICE..... Cost \$125,701

◦GOALS

To provide for the development of social and economic programs to assist local communities and the State.

◦OBJECTIVES

To assist the community and the State in community planning and development, urban planning, development of human and natural resources, business, education, agriculture, industry, government, health and recreation.

◦ACHIEVEMENTS

*Provided a continuing service to economically disadvantaged areas of the State in: helping determine the economic feasibility of proposed economic development projects; furnishing management assistance to existing firms; and providing training in economic development.

*Provided year-long community development assistance to selected Montana communities, including two Montana Indian Reservation areas. Provided leadership training for: the Helena Model Cities program; management training for small businessmen in selected communities; and training for water-works operators, sanitarians, property evaluators, architects and engineers, teachers of the deaf, teachers of Indian girls in home economics, firemen, nurses and nursing home administrators, teachers in adult basic education, and others.

*Provided consulting service to Indian students and parents; assisted with the Montana Law Enforcement Academy; provided a year-long state-wide Civil Defense educational program; provided training for municipal environmental planning and maintenance personnel; and conducted educational programs relating to Montana water laws and economics development.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Extension courses	25	Unknown
Communities served	16	Unknown
People involved	700	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	►	EDUCATION	3
MAJOR PROGRAM AREA	►	HIGHER EDUCATION	2
ADMINISTERING AGENCY	►	EASTERN MONTANA COLLEGE	1287
Administering Agency's PRINCIPAL GOAL(S)	<p>Provide an effective school of higher learning with emphasis on: the pursuit and assimilation of knowledge through scholarship; the dissemination of knowledge through teaching and learning; and the application of knowledge to community, national, and universal problems.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 577,216
01	Instruction and Departmental Research		2,285,481
02	Library		241,668
03	Physical Plant		688,922
►	TOTAL		<u>\$3,793,287</u>

OVERVIEW

Eastern Montana College is essentially a community of students and educators with a diversity of interests sharing common goals. The educational program of the College is directed toward the development of the "total man" in search of physical, intellectual, emotional, and ethical excellence. Many significant accomplishments were experienced this fiscal year especially in the areas of student-faculty communication techniques and in student teaching. Of increasing concern are the salary levels of all staff members and the student-faculty ratio which must be improved to maintain a quality of education consistent with our primary goals.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated to provide for a general increase in salaries for present employees and to provide additional staff.

ooo Increasing existing salaries is necessary to enable the College to more effectively compete for qualified personnel. Also, additional staff members are needed to reduce the overall student-faculty ratio and reinforce programs that are seriously understaffed.

2. Additional funds should be appropriated to employ a qualified personnel director.

◦◦◦ A serious concern at the College is the salary structure at all levels of non-professional personnel. We are in need of a personnel director to develop a position classification schedule; to negotiate with labor unions; to establish a standard campus-wide procedure for screening, hiring, training, and development of employees; and to establish a reasonable wage scale.

3. Additional funds should be appropriated to provide a program of land acquisition and construction to permit the College to continue to provide a quality education to an increasing enrollment.

◦◦◦ In view of current enrollment projections for the College, it may be predicted that land now owned will not be sufficient to meet expansion requirements of the next ten years. Steps are necessary now to purchase land for future needs so that campus development may proceed in an orderly manner and at a reasonable cost.

4. Additional funds should be appropriated so that a property control officer can be employed to initiate a detailed inventory and perpetual updating system for all physical property.

◦◦◦ State Controller's Management Memo 70-17 specifies that a physical inventory of all property under the jurisdiction of a State agency is to be taken annually. Admittedly, this is a sound management practice. However, unless detail property control is practiced every day of the year, the expense and time incurred in taking the initial inventory is not put to efficient use. To date the College has had neither the personnel nor the resources to accomplish and maintain effective property management.

5. Additional funds (\$14,000—\$16,000) should be appropriated to provide a position to be specifically responsible for administering the Graduate Program in the School of Education.

◦◦◦ Presently, the Dean of the School of Education is responsible for administering the Graduate Program which is a project in itself. Our recommendation to establish a separate position is supported by the NCATE Visitation Team and the Director of the NCATE Program in his final evaluation report on our accreditation.

6. Additional funds should be appropriated (\$16,000) to provide a trained librarian in the Campus School Library and place the administration of this unit in the School of Education.

◦◦◦ This library serves the campus school children and teachers as well as College students in Elementary Education, Library Science, and Children's Literature. Strengthening the staff (it is now staffed only by a student assistant working 3 hours per day) would strengthen all of these programs.

7. Additional funds should be appropriated to provide a well-balanced Liberal Arts Program.

◦◦◦ To meet the increasing student demand for other degree programs, there is a need to provide academic minors in such fields as Sociology, Philosophy, Political Science, and Journalism; and academic majors in Speech-Drama, French, Economics, Spanish, Sociology, Philosophy, and Political Science.

8. *Additional funds should be appropriated to provide routine care and maintenance of the existing facilities.*

◦◦◦ Funds for routine maintenance of the College continue to be minimal, resulting in deferred maintenance of College property. Some of the care is continually postponed and eventually will require extensive repairs to restore the facilities to their original utility.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$577,216

◦GOALS

Provide effective planning, organizing, leadership and control for all administrative functions of the College.

◦OBJECTIVES

To educate all staff members in modern methods of administration.

To continue to recruit and retain qualified and dedicated personnel.

To improve on methods of communication between student, faculty and the citizens of Montana.

◦ACHIEVEMENTS

*Through the efforts of administration, faculty and students, a variety of formal and informal communication devices have resulted in growing respect for the various segments that make up a college community. It is noteworthy that in spite of many demands for change, the institution has progressed in furtherance of its objectives with constant regard for individual rights and responsibilities.

*To provide further information to students and to relieve the Registrar of Admissions responsibilities, the position of Director of Admissions was established.

*\$573,760 was obtained from non-State source to partially finance the College's programs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	1,072	Increasing

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH Cost \$2,285,481

◦GOALS

Provide high quality educational programs concentrating on liberal arts and education curricula.

°OBJECTIVES

Attract and retain a high quality faculty; reduce the student-faculty ratio; and strengthen existing programs.

°ACHIEVEMENTS

*Because of an expressed need for teachers especially trained to work in rural reservation areas, our Pilot Student Teaching Program was initiated. Participating students praised the program and several intend to sign contracts to teach in their place of internship.

*\$497,318 was obtained from non-State sources to finance portions of this program.

*As a result of the new area of concentration, Learning Disabilities (added to the Master of Science in Education Degree program), a new classroom with twelve children, diagnosed as having learning disabilities, is planned to open in the Campus School this September. The room is being planned to have closed-circuit television to allow visitors to view the new program. This will be one of the vary few such programs in the State.

*Jointly sponsored the Montana Center for Handicapped Children which provided observation and special laboratory experience for students preparing to teach the handicapped children.

*Researched and published scholarship information prepared by individual faculty members in the areas of biology, foreign language, history, physics, political science and speech.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student teachers	548	Increasing
Bachelor degrees granted	551	Increasing
Master degrees granted	47	Increasing

PROGRAM ► LIBRARYCost **\$241,668**

°GOALS

Provide book and non-book materials and a variety of services to satisfy the educational needs of a constantly expanding student body and faculty.

°OBJECTIVES

To continue to provide the books required for adequate support of instruction.

°ACHIEVEMENTS

*Reclassing books to Library of Congress standards was the major extra effort of the year. 11,792 books were reclassified and the project should be essentially complete by Fall 1970. Weeding was accomplished as reclassing progressed.

*For the first time in the College's history, a professional librarian was utilized to handle circulation activities.

*\$11,169 was obtained from non-State sources to finance a portion of this program's activities.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
New acquisitions:		
Books	10,247	Increasing
Periodical subscriptions	151	Increasing
Total collection	175,795	Increasing

PROGRAM ► PHYSICAL PLANTCost \$688,922

◦GOALS

To maintain the physical facilities in a manner which will enable other College programs to function most effectively.

◦OBJECTIVES

To provide effective maintenance of the buildings, grounds and furnishings, janitorial services; and supervision of construction.

◦ACHIEVEMENTS

*A fully operational Security Department was established; an experienced Chief of Security was appointed; and the security officer staff was increased from three to six. 24 hour-a-day coverage is now afforded the campus. The resulting benefits in safety, security and emergency preparedness are manifold.

*The procedures employed in the development of a long-range construction program have been further perfected. Through campus space inventories, space utilization studies and the application of space standards, future construction needs are now established on a uniform statistical basis.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Construction projects		
Completed this year	\$2,210,000	Unknown
In planning stages	2,800,000	Unknown
To be approved	4,000,000	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY	1284
Administering Agency's PRINCIPAL GOAL(S)	Provide education of the highest quality—specializing in mineral science and technology—which will produce enlightened citizenship capable of attaining professional excellence.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration and General Expense		\$ 176,342
01	Instruction and Departmental Research		832,992
02	Libraries		55,225
03	Physical Plant Operation and Maintenance		236,092
04	Organized Research		386,011
▶	TOTAL		<u>\$1,686,662</u>

OVERVIEW

We have earnestly continued in the pursuit of our principal goals while operating within our limited financial means. For example: computerization of various functions has improved performance and increased capabilities; and new courses in biological sciences have augmented our curriculum for general students and given us a better balanced educational structure. The construction of facilities to replace existing antiquated and over crowded buildings will continue to be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated (\$4,080,675) to provide for the construction of a new instructional building for geology, mining and mineral dressing.

No new instructional buildings have been provided on this campus during the past 20 years although enrollment has nearly tripled in this same period—and many of our structures have been in use for from 50 to 70 years with only minor remodeling or up-dating. Where the need previously has been urgent, it is now critical

2. *Additional funds should be appropriated (\$1,000,000) to provide for construction of Phase I of a new library facility.*

°°° The present library was constructed as part of an administration, library and museum building in 1940. The library part of this building was limited in space, and has since outgrown its space considerably. Confronted with lack of space for current holdings along with having to enlarge library holdings to accommodate a growing instructional program and nearly three times the student enrollment as when this library was built, it becomes imperative to construct a new library which will satisfy these increased needs.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATIVE AND GENERAL EXPENSE..... Cost \$176,342

°GOALS

Provide effective direction, management and supervision of the College activities.

°OBJECTIVES

Continue the effort to computerize cash receipts and disbursement accounts.

Provide for the computerization of student registration procedures and records.

°ACHIEVEMENTS

*The institutional payroll, the voucher register and the detail ledger in our business office operation were computerized on the same basis as used by the Department of Administration.

*Through good communication and co-operation between the student government and the various administrative offices and officers, an almost total absence of student unrest has resulted.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	909	Increasing

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH..... Cost \$832,992

°GOALS

Provide education of the highest possible quality which will prepare students for outstanding professional attainment.

°OBJECTIVES

Provide effective education in the following fields: chemistry, engineering science, geological engineering, geophysical engineering, mathematics, metallurgical engineering, mineral dressing engineering, mining engineering and petroleum engineering.

Provide general, pre-professional courses covering instruction in general College requirements for students who

will complete their college educations elsewhere. Research objectives center particular concern translating research results into useful purposes.

°ACHIEVEMENTS

*A two-year sequence of courses in biological sciences and a one-year sequence of courses in accounting were introduced. This is the first year that the service to general students has included balanced availability of all five of the principal divisions of general education, that is in physical sciences, biological sciences, social sciences, humanities and business.

*Baccalaureate degree curricula in mathematics and chemistry, as well as master of science work in geophysical engineering were introduced for the first time this year. All engineering departments are now offering studies through the masters level, thus furnishing incentives for research as well as aiding in the recruitment and retention of faculty.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Bachelor degrees granted	51	Increasing
Masters degrees granted	6	Increasing

PROGRAM ► LIBRARIES.....Cost \$ 55,225

°GOALS

Effectively provide the necessary literary augmentation and support for the program of instruction and departmental research.

°OBJECTIVES

Provide a well selected collection of books, professional journals, references and other documents covering the fundamental sciences of mathematics, physics, chemistry, geology, mineralogy and their practical application to engineering—especially all branches of mineral engineering.

°ACHIEVEMENTS

*In the past, the library program has suffered because of a shortage of funds. This year, at the expense of other operations, additional critically needed staff has been provided and holdings have been increased in view of the need for improving the capability of the library in the area of biological science and the humanities.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► PHYSICAL PLANT OPERATION AND MAINTENANCE..... Cost \$236,092

◦GOALS

Supply and maintain the structures and service needs for accomplishing the instructional and administrative functions of the College.

◦OBJECTIVES

Effective and economical maintenance of all structures, roads and grounds, College vehicles and custodial housekeeping activities.

◦ACHIEVEMENTS

*A new heating plant was completed and put into operation. This new plant replaced an ancient, inefficient plant which had been in continuous service for more than 50 years. It has provisions for additional boiler capacity as the campus grows. Also, it provided a limited amount of critically needed garage and storage space.

*A paved parking area of 250 car capacity has been constructed to satisfy partly a very critical need for parking space on this campus.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► ORGANIZED RESEARCH.....Cost \$386,011

◦GOALS

Promote the effective utilization of mineral resources through the investigation of their geology, production, treatment and economics.

◦OBJECTIVES

Effectively apportion funds between basic research and practical application of new knowledge.

◦ACHIEVEMENTS

*Obtained a grant of \$400,000 from a private source as a contribution to the building of a research center.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	NORTHERN MONTANA COLLEGE	1288
Administering Agency's PRINCIPAL GOAL(S)	To provide high quality instruction at the certificate, diploma, associate degree, baccalaureate degree and master's degree levels.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration and General Expense		\$ 266,812
01	Instruction and Departmental Research		1,251,721
02	Libraries		119,630
03	Physical Plant Operation and Maintenance		275,649
04	Extension and Public Service		15,208
▶	TOTAL		<u>\$1,929,020</u>

OVERVIEW

We have continued to improve program effectiveness by: modifying registration techniques; adding instructional curriculum leading toward bachelor of arts degrees in English and History; and numerous other changes resulting in increased efficiencies. Various renovation projects have been completed resulting in increased capability and effectiveness.

Of major importance to us as we pursue our goal is the necessity to make available, continually and progressively, educational programs and services of high quality that will enable students to prepare for the professions and the vocations and that will offer them the opportunity to acquire the knowledge of their heritage, life and times which is vital for dignified and successful living.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated in order to maintain the quality of the instructional program.*

ooo Increased funds will be required to cover additional expenditures resulting from projected increases in enrollment and increased costs for present programs.

2. *Additional funds should be appropriated (\$21,000) to provide for the appointment of an academic vice-president for the College.*

ooo As enrollments, faculty and programs have increased over the years, and as the complexity of college administration has become more pronounced, the difficulties experienced by the president in directing

and co-ordinating the instructional areas of the College have also grown. Consequently, the Northwest Association of Secondary and Higher Schools—the agency through which the college is accredited—has strongly recommended the appointment of a vice-president.

3. A special appropriation of \$100,000 for the 1973 biennium should be made to support the undergraduate and graduate degree programs in Vocational-Technical Teacher Education.

ooo These funds would continue the program at the same level as initiated in 1967. This is the only program in the State that offers this type of instruction.

4. Additional funds should be appropriated to the University System for the improvement of library resources.

ooo Northern, in common with other units of the University System, has been unable to approach standards in regard to library acquisitions. The "catch-up" factor involved cannot be satisfied by expenditures from the College budget alone.

5. Additional funds should be appropriated (\$237,500) for planning, improvement and construction of campus facilities.

ooo Increased enrollment and the age of certain buildings demands immediate action if we are to effectively manage the College's physical plant. For example: the library is located in Cowan Hall. Its location was determined at a time when the enrollment of the College was expected not to exceed five hundred. With a current enrollment of three times that number, it is imperative that planning take place as soon as possible for the construction of a new building within four years.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION AND GENERAL EXPENSE..... Cost \$266,812

◦GOALS

Meet the ever-increasing demand for services and information, from both within and outside the institution.

◦OBJECTIVES

Cope with the increasing complexity of college administration without incurring disproportionate costs.

Maintain an administrative structure which will remain responsive to the changing needs of the instructional program and to reduce turnover in key clerical positions.

◦ACHIEVEMENTS

*A system of pre-registration was initiated. As a result, the registration period for each quarter was reduced from two days to one day and considerably more time was made available to each student for conferences with his advisor prior to registration.

*A committee composed of students, faculty and administrative staff drew up and published a Student Code of Conduct. A Judicial Review Board, composed of students and faculty, was established to assure due process for students accused of offenses which could result in suspension or expulsion.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	1,619	Increasing

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH..... Cost \$1,251,721

◦GOALS

Effectively prepare students for vocations and professions and to offer them the opportunity to acquire the knowledge of their heritage, life and times which is vital for successful living.

◦OBJECTIVES

Provide learning opportunities through class instruction, laboratory experience, seminars and to constantly review the effectiveness of this program.

◦ACHIEVEMENTS

- *Instructional programs leading toward bachelor of arts degrees in English and history were instituted.
- *During the summer of 1969 master degree programs in elementary education and vocational-technical teacher education were instituted with seventy students (55 FTE) registered. This number, far exceeding original estimates, appears to confirm the need for such programs at Northern.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student credit hours offered	62,271	Increasing
Certificates issued	72	Stable
Diplomas issued	17	Stable
Associate degrees awarded	28	Varies
Bachelor degrees awarded	151	Increasing

PROGRAM ► LIBRARIES..... Cost \$119,610

◦GOALS

Provide resources necessary for the implementation of the instructional program.

◦OBJECTIVES

Increase the library holdings during the next four years in order to acquire needed volumes and to approach more closely established National standards as required by accrediting agencies. A further objective, pending the construction of a new building, is making present holdings more accessible to users.

◦ACHIEVEMENTS

- *Microfilming of various periodicals was accomplished as a step toward conserving storage space.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Volumes added to library	5,660	Increasing

PROGRAM ► PHYSICAL PLANT OPERATION AND MAINTENANCE..... Cost \$275,649**◦GOALS**

Effectively discharge the responsibilities for the operation and maintenance of all buildings, the maintenance of grounds, the supervision and maintenance of vehicles, the supervision of utilities, the regulation of traffic and the provision of security.

◦OBJECTIVES

Meet the ever-increasing demand for services, brought about by growth in number of students and occupancy of new buildings, by carefully planned maintenance and the employment of highly skilled personnel.

◦ACHIEVEMENTS

*The renovation of Pershing Hall was completed early in the fiscal year and the building was occupied by the Music and Art Departments at the beginning of fall quarter. The renovation provided adequate facilities for music instruction for the first time since East Hall was abandoned four years ago. The relocation of the Art Department allowed the conversion of space formerly occupied by it in Cowan Hall to urgently needed offices.

*The boilers in Cowan Hall were replaced and a new temperature control system installed. The completion of this project removes the danger which attached to the original unsafe boilers and assures adequate heat for both Cowan and the Armory-Gymnasium.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EXTENSION AND PUBLIC SERVICE.....Cost \$ 15,208**◦GOALS**

Provide effective planning, organization and supervision for the extension education instruction offered in communities throughout the State.

◦OBJECTIVES

Provide, within the limit of available resources, educational opportunity to students other than those registered for courses taught on campus.

◦ACHIEVEMENTS

*At the request of district school boards and administrators, the College aided in the organization of the Northern Montana Cooperative Services Project. By means of this project, ten districts in the region will be able to offer instructional and evaluative services on a cooperative basis which they would not otherwise be able to offer because of limited resources. In addition, the expertise of various members of the College faculty is made available to the districts.

*Through the efforts of many faculty and by providing facilities, the College aided in the establishment of a highly successful Summer Repertory Theater.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Extension courses taught	26	Increasing
Student enrollment	450	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	EDUCATION	3
MAJOR PROGRAM AREA	➤	HIGHER EDUCATION	2
ADMINISTERING AGENCY	➤	WESTERN MONTANA COLLEGE	1285
Administering Agency's PRINCIPAL GOAL(S)	Provide effective educational instruction leading to Bachelor of Science Degrees in Elementary and Secondary Education, Master's Degrees in Education or Liberal Arts Degrees in English and History.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 160,898
01	Instruction and Departmental Research		764,136
04	Extension and Public Service		2,516
05	Library		76,278
06	Physical Plant		208,508
➤	TOTAL		<u>\$1,212,336</u>

OVERVIEW

This fiscal year saw the occupancy of the Library-Administrative facilities which provided for more efficient operations and services to faculty and students. The State Board of Education approved the granting of the Liberal Arts degree in English and in History. Of major concern at this time is the acquisition of land, contiguous to the campus, that will be needed for future expansion and development. Of increasing importance is the need to establish more equitable salary levels which will enable the College to recruit and retain qualified personnel.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide for the purchase of unimproved land adjacent to the campus.*

ooo Future building programs are contingent upon the acquisition of land. Presently, there remains only one piece of unimproved land joining the campus. Ideally, this should be acquired before it becomes dedicated to other uses.

2. Additional funds should be appropriated to provide an increase in salaries for staff members.

ooo Montana has not been competitive and has fallen behind both regionally and nationally in being able to attract and retain an adequate number of highly qualified personnel.

3. Additional funds should be appropriated to provide for an increase of support personnel to relieve present administrative people from teaching duties.

ooo Except for a few people, those in administration are carrying a teaching load. This is not a good practice and the only way to solve the problem is to hire support personnel.

4. Additional funds should be appropriated to increase the library staff and the quantity of materials.

ooo We do not now meet standards set by the American Library Association in library staff and in the number of volumes recommended for a college of this size. Federal grants are now being phased out and the need for library volumes has not been met. In addition to what we are now spending, we need at least \$10 per student per year for at least the next ten years, to spend on library materials in an attempt to meet minimum library standards.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$160,898

◦GOALS

Provide efficient administration of the day to day functions regarding policy, finance, student services and general discipline and guidance.

◦OBJECTIVES

Continue to increase the efficiency by converting where feasible, from manual operations to machine operations.

◦ACHIEVEMENTS

*Upon recommendation of the visiting team of the Northwest Accrediting Association, an Academic Dean was appointed to distribute the responsibility of administration.

*More efficient services have been provided to faculty and students through the occupancy of the new administration facilities. Some supporting staff has been added now that adequate working space has been made available.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment	3,771	Increasing

PROGRAM ► INSTRUCTION AND DEPARTMENTAL RESEARCH..... Cost \$764,136

◦GOALS

Provide effective instruction, planning, course presentation, and guidance and counseling to students at Western Montana College.

◦OBJECTIVES

Continually upgrade all departments by re-evaluation through a series of questionnaires sent to all graduates requesting opinions on existing programs and methods, in view of their present experiences in the field.

◦ACHIEVEMENTS

*In April 1970 the State Board of Education Ex-officio Regents of the Montana University System approved the granting of the Liberal Arts degree in English and in history to Western Montana College. The instructional staff has been strengthened by the addition of five new people holding Doctorates as replacements were necessary.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Degrees granted:		
Bachelor	219	Increasing
Masters	33	Increasing

PROGRAM ► EXTENSION AND PUBLIC SERVICE..... Cost \$ 2,516

◦GOALS

Provide extension programs for those in the area needing additional offerings to obtain or enhance a degree.

◦OBJECTIVES

Offer the courses most needed by the individuals of the surrounding communities.

◦ACHIEVEMENTS

*Increased requests have been met to provide evening classes within our range of service as faculty members have been available and willing.

PERFORMANCE INDICATORS

During the past year at least three offerings per quarter have been provided.

PROGRAM ► LIBRARY.....Cost \$ 76,178

◦GOALS

Support all phases of the instructional programs by providing research and reference materials for the staff as well as the student.

◦OBJECTIVES

Provide new materials to enhance present courses as well as intensify emphasis upon new degree offerings.

◦ACHIEVEMENTS

•The occupancy of the new library approximately tripled the previous library facilities. More pleasant study facilities were provided by the purchase of new shelving and library furniture. Concerted effort has been made to furnish adequate audio-visual aids materials.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► PHYSICAL PLANT.....Cost \$208,508

◦GOALS

Provide the necessary repair and maintenance of all buildings and grounds of the College.

◦OBJECTIVES

Centralization of supplies, vehicle storage and shop space will continue to be of primary importance.

◦ACHIEVEMENTS

•Fiscal 1969-70 saw the occupancy of the Library-Administration building and the start of construction on a faculty-office classroom building to be completed in early 1971. Campus parking facilities were approximately doubled by the addition of black topping to three added parking areas. Most campus sidewalks were widened to permit use by campus service vehicles and emergency fire access. Some improvements were effected in lawn areas and in tree and shrub appearance.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	AGRICULTURAL EXPERIMENT STATION	1282
Administering Agency's PRINCIPAL GOAL(S)	Contribute to the welfare of the State, Nation and World community by carrying out meaningful and relevent research programs on agriculturally related problems and opportunities.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration and General Expense		\$ 257,743
01	Libraries		9,043
02	Physical Plant Operation and Maintenance		60,214
03	Organized Research		2,900,931
▶	TOTAL		<u>\$3,227,931</u>

OVERVIEW

This year a considerable amount of research information was developed on many areas of agriculture including fertilization, weed control, disease and pest control. Increased financial support to provide for the recruitment and retention of qualified personnel is of prime concern as we try to meet the growing demands for our services. Expanded research, especially in the area of environmental pollution, is also of great importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated (\$444,000) to increase the financial support for present research efforts and to expand the level and intensity of future research.*

ooo The financial support we are now able to give our staff is much below national averages. Although it is not possible to apply these averages except by discipline, it ranges from \$28,000 to \$65,000 per full-time enrollment (FTE). Using departmental staff and budgets only, our average support in 1970-71 (exclusive of the U. S. Range Livestock Experiment Station) is \$25,820 per FTE, using appropriated funds only, or \$29,132 per FTE if income funds are included.

2. Additional funds should be appropriated (\$150,000) to provide for increased emphasis on the factors affecting pollution of the environment, especially as it relates to agriculture.

ooo Much of our research activity in agriculture relating to soil, plants and water can contribute significantly more to our knowledge of pollution if a small amount of additional support is provided. Examples of such activity include fate of applied fertilizers, underground ground movement of salts in water, constituents in surface runoff and air streams.

3. Additional funds should be appropriated (\$114,000) to provide for the conversion of the remainder of our staff on eighth-quarter-leave contracts to the regular Montana 11-month contracts.

ooo Over about a four-year period, we have tended to phase out of the eighth-quarter-leave contract. This has been largely achieved through attrition: retirement of the eighth-quarter staff and hiring on the 11-month contract. It would be more equitable to convert remaining employees and have all employees on an equal pay and leave basis.

4. Additional funds should be appropriated (\$150,000) for increased staffing in the area of community development.

ooo The rural communities of Montana have been undergoing a series of traumatic experiences which has seen a large number of communities disappear and many others become less than viable. Many of the services necessary for health and well being are no longer available or are at increasingly greater distances. Large numbers of our young people find employment in other states after considerable expense borne in the local communities in rearing and education. A rather concerted effort needs to be placed in research which could lead to the improvement of many of these social problems. The need for meaningful jobs is only one of the important approaches to this problem. It is estimated that these funds would provide an additional staff position in this area as well as support staff for the current program in this area.

5. Additional funds should be appropriated (\$60,000) for the purchase of land at Bozeman and for payments on land at Kalispell.

ooo Land at Kalispell was purchased according to the 1969 Legislation. Payments of \$6,800, (plus interest due July 1, 1971 and July 1, 1972) should be authorized. Land at Bozeman, authorized by the same Act, was not purchased because the owner was not ready to sell. Purchase of this land at \$56,000 should be authorized with appropriations made for the first two payments in the amount of \$16,400 and \$20,000.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION AND GENERAL EXPENSE Cost \$257,743

◦GOALS

Provide effective planning, organization and supervision of the research effort.

◦OBJECTIVES

Perform all administrative functions in the most efficient manner possible with the financial means available.

◦ACHIEVEMENTS

*No achievements were submitted by the agency for this program.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► LIBRARIESCost \$ 9,043

◦GOALS

Provide an adequate and up-to-date library of scientific books, periodicals and other scientific literature as well as assisting the scientists in obtaining information not available in the campus library.

◦OBJECTIVES

Provide the scientists with ready access to the literature needed to conduct the organized research program.

◦ACHIEVEMENTS

*No achievements were submitted by the agency for this program.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► PHYSICAL PLANT OPERATION AND MAINTENANCE Cost \$ 60,214

◦GOALS

Effectively provide the maintenance, remodeling and construction of the buildings and grounds of the facility.

◦OBJECTIVES

Provide the physical plant necessary for carrying out the program of organized research.

◦ACHIEVEMENTS

*No achievements were submitted by the agency for this program.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► ORGANIZED RESEARCH Cost \$2,900,931

◦GOALS

Generate problem solving information through research which will permit an economically prosperous agriculture; maintain an environment increasingly free of pollution; create a rural life which is challenging, meaningful and fulfilling; and preserve and enhance Montana's natural beauty.

°OBJECTIVES

Research and develop new and improved varieties of plants and livestock, new devises and techniques and analytical and diagnostic services with soil, seed, grain, feeds and wool; disseminate the information through various news media, bulletins and other publications and direct communications.

°ACHIEVEMENTS

• Research information has been developed on many areas of agriculture. Examples of recent developments of special interest include fertilization of native ranges, weed control in cash crops, high moisture barley, range renovation using sod displacement, sainfoin as a substitute for alfalfa and a vaccine for vibriosis in cattle. In addition to such substantive accomplishments, information has been obtained permitting better and wiser use of our agricultural resources in efficient production and marketing. Information is being derived on agriculturally-related activities such as rural communities, environment, recreation, services and conservation.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	HIGHER EDUCATION	2
ADMINISTERING AGENCY	▶	COOPERATIVE AGRICULTURAL EXTENSION SERVICE	1283
Administering Agency's PRINCIPAL GOAL(S)	Combine the efforts of professional people and the general public for the improvement of agriculture and the enhancement of the level of living of Montana citizens.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration and General Expense		\$ 200,626
01	Physical Plant Operation and Maintenance		22,696
02	Extension and Public Service		1,571,356
▶	TOTAL		<u><u>\$1,794,678</u></u>

OVERVIEW

During the year many significant gains were realized with regard to solving farm, home and community problems. Information provided by research institutions and other sources was disseminated to the public and assistance was provided in making application of this information. Extension personnel worked with local leaders to assist in carrying on the educational programs and alert researchers to problems of the State on which additional research is needed.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated (\$20,000) to provide for an extension agricultural engineer.

ooo Demands and needs exist for an engineer to provide services to Montana farmers and ranchers on: housing; maintenance and use of equipment; feed lot and feed processing plants; meeting sanitation requirements; solids disposal systems; etc.

2. Additional funds should be appropriated (\$75,000) to provide for the recruitment of additional para-professional to conduct training programs for the disadvantaged.

ooo Service to Montana families and communities could be increased through the use of additional para-professionals. Para-professionals trained and supervised by State and county home economists could conduct much needed training for low income families throughout the State. The success we have had in working on food and nutritional problems points the way to increased use of para-professionals to give similar assistance in solving the many other problems facing the poor.

3. Additional funds should be appropriated (\$40,000) to provide assistants for the professional soils scientists presently on the staff.

◦◦◦ Soil fertility work is greatly hampered by the lack of funds to employ assistants or aides for the two professional soils scientists we have on our staff. Well documented information indicates the potential of an increased net farm income of \$64,000,000 per year. Additional funding to the extent of \$40,000 per year would insure faster progress in reaching this potential.

4. Additional funds should be appropriated (\$17,000) to provide a dairy specialist.

◦◦◦ The dairy producers have requested the full-time services of a dairy specialist. We have a dairy specialist only to the extent of one-tenth of a person's time at the present. He spends the balance of his time on research and teaching.

5. Additional funds should be appropriated (\$20,000) to provide for an extension forester.

◦◦◦ We have requests to add an extension forester from the Regional Forester, the State Forester, the State Soil Conservation Committee, the Montana Association of Soil Conservation District Supervisors, and the Montana Woodland Council.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION AND GENERAL EXPENSE..... Cost \$200,626

◦GOALS

Provide guidance and direction of personnel, programs and financing of the agency.

◦OBJECTIVES

Increase the effectiveness of the management information system in the assignment of resources to most effectively meet the needs of Montana and add more district program coordinators to assist county agents with program development and implementation.

◦ACHIEVEMENTS

*A management information system was in use during the year. This computerized system provides for objective planning of programs and the retrieval of information which relates to how time is actually spent.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► PHYSICAL PLANT OPERATION AND MAINTENANCE..... Cost \$ 22,696

◦GOALS

Provide janitorial services, utilities and general maintenance of the Extension Building and offices having extension personnel on campus.

◦OBJECTIVES

Provide adequate facilities and services to accommodate the staff.

°ACHIEVEMENTS

*Physical plan operations and maintenance services were satisfactorily performed throughout the year.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EXTENSION AND PUBLIC SERVICE.....Cost \$1,571,356

°GOALS

Provide the people of Montana with useful and practical information on subjects relating to agriculture and home economics.

°OBJECTIVES

Assist the people of Montana in making better decisions relating to personal, community, state and national problems by providing them with facts and information which may be helpful in making these decisions.

°ACHIEVEMENTS

*Began a major study of the feasibility of ranch recreation related to fee hunting and other recreational studies.

*Prepared and distributed two publications on the economics of poultry production and processing at the request of local development groups.

*Montana Seed Council was reactivated. They will assume leadership in reviewing existing agricultural and vegetable seed laws and preparing proposals for legislation.

*Conducted Wheat Variety-Quality Conference, which resulted in a better understanding among public and private individuals and institutions engaged in plant breeding and distribution of new varieties.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Participation in landscaping projects	23	Unknown
Ornamental horticulture lectures	23	Unknown
Acres of potatoes certified	5,100	Unknown
Pounds of virus free potato production	24,000	Unknown
Participants in homemaker programs	6,900	Unknown
Pre-schoolers tested for:		
Amblyopia	2,100	Unknown
Diabetes	11,000	Unknown
Hearing	900	Unknown
Defensive driver courses	400	Unknown
Safe tractor operator certificates	76	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	SPECIAL	3
ADMINISTERING AGENCY	▶	SCHOOL FOR DEAF AND BLIND	1380
Administering Agency's PRINCIPAL GOAL(S)	Provide effective educational and training programs for children with impaired hearing and/or impaired vision.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 50,874
01	Care and Custody		113,408
02	General Services		74,095
03	Education		258,997
04	Caption Scripts and Study Guides		24,365
▶	TOTAL		<u>\$521,739</u>

OVERVIEW

Significant growth in quality and quantity of service has characterized the year. Our role in the total education picture has broadened to include services to per-school children and their parents, and services to children not necessarily requiring residence at our Great Falls school if they are adequately guided and provided necessary tools and materials of a specialized nature. This strengthened role in educational services has been made possible through growth in our staff, and by bringing into our staff better prepared and qualified professionals.

The first phase of our long range building program is now under contract and will provide the major portion of needed academic facilities. The importance of continuing this replacement program cannot be overly emphasized.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated for the construction of a physical education facility, boiler plant and housing unit.*

ooo Housing and the care of residential children has become the greatest problem area in our operation. Our present facility houses all ages from pre-school age (3 and 4 year olds) to high school age children. This condition is not only irrational from a social point of view, but makes efficient working conditions impossible for staffing.

2. *Additional funds should be appropriated (\$10,000 per year) to provide additional clerical help for the office.*

○○○ Requests and requirements of additional reports, analyses and other details have increased the workload significantly, resulting in delays on administrative matters which are embarrassing and give the impression of inefficiency. The administrative head of this school has a 24 hour per day responsibility which is weighty at times and some relief help could alleviate the problem.

3. Additional funds should be appropriated (\$30,000 per year) to hire additional child care and household staff.

○○○ Recent changes in the Fair Labor Standards Act have been interpreted by the Attorney General as applicable to our staff. To comply fully, we will need to make adjustments in our scheduling and staff assignments.

4. Additional funds should be appropriated (\$84,180) to hire six professional staff for expanded educational and diagnostic services.

○○○ Further handicapping conditions in addition to deafness or blindness are becoming more prevalent. This is a national problem which is challenging all levels and areas of special education. Traditional methods and concepts of educational procedures are not adequate to meet the challenge. New professional skills have been, and are being, developed to cope with the problem. If we are to attain the capability of trying to meet this challenge, additions to our professional staff will be necessary.

5. Additional funds should be appropriated (\$14,700) to provide for an additional maintenance position.

○○○ Completion of our new academic building is expected in the fall of 1971, which will add to our maintenance and custodial load. Our present staff of three men are working to capacity with overtime necessary at frequent intervals.

6. Serious consideration should be given for strengthening and developing our pre-vocational and vocational guidance program.

○○○ This is an area of weakness in our program. It has become so due to the changing requirements in the labor field and due to the relative high costs involved. It is not fiscally feasible for a school with our population to have extensive vocational training. However, the end result could be attained through the above recommendation.

7. The Montana School for the Deaf and Blind should become the centralized agency for coordination of programs and services aimed at the education of hearing handicapped and visually handicapped children.

○○○ In actual practice, this school is the central coordinating agency for education dealing with the hearing impaired and visually impaired. However, there are exceptions which exist in certain areas. Federal funding and growth of some programs has caused dispersion of continuity in the overall State picture which has led to duplication of effort and inadvertent conflict of interests. It is our belief that the best interests of the children involved could be better served through a more coordinated effort and leadership.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$ 50,874
 ◦GOALS

Provide for the effective administration of the day-to-day duties of the School.

◦OBJECTIVES

Do the best possible job with the greatest efficiency and with the least cost possible without sacrificing quality.

◦ACHIEVEMENTS

- *The acquisition of highly trained and qualified personnel to fill vacancies and newly created positions has very markedly improved many aspects of our operation in areas requiring professionals.
- *Cooperative arrangements dealing with diagnosis and education have grown during the year and we now work with 31 different organizations either directly or indirectly.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Student enrollment:		
Visually impaired	31	Stable
Hearing impaired	102	Increasing

PROGRAM ► CARE AND CUSTODY.....Cost \$113,408

◦GOALS

Provide the day-to-day residential care for the children which will provide for good character building and personality development.

◦OBJECTIVES

Provide a normal and homelike atmosphere for students in residence.

◦ACHIEVEMENTS

- *The health of our children was significantly without major incidents. Having a highly qualified nurse on our staff and the services of the Great Falls Clinic available has made this outstanding health record possible.
- *Improved hours and working conditions for the household staff has been achieved which results in greater efficiency and morale.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► GENERAL SERVICES.....Cost \$ 74,095

◦GOALS

Provide for the effective and economical cleaning, repair and general maintenance of all the vehicles, grounds and buildings.

◦OBJECTIVES

Keep all property, buildings and equipment in the best condition possible.

◦ACHIEVEMENTS

- *Possible major problems have been minimized by conscientious and constant surveillance and repair. The problem we were having with electrical overload has been reduced with the installation of a new main panel switch with greater capacity. Fire protection has been greatly increased with the installation of a complete

heat and smoke detection system which will be operational in November of 1970.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EDUCATION **Cost \$258,997**

◦GOALS

Provide every child in Montana who has a hearing or visual impairment with the opportunity for an educational program best suited to his or her needs.

◦OBJECTIVES

Provide a modern and well-staffed educational program that will develop happy, well-adjusted, and responsible citizens who are able to live independently and be self-sustaining.

◦ACHIEVEMENTS

*Our educational programs and services were conducted with vigor, imagination and efficiency. We have compared our methods and results through the use of several measurement tools, such as achievement tests and other ability tests. We compared favorably with national norms and in some areas have exceeded national norms significantly. The success we have had to date with placing visually handicapped children back into public school classes has been gratifying and without failure to date.

*Our libraries were modernized during the year. Braille texts are now current, capability for tapes and taping has been added; and information and pleasure reading materials have been supplemented—to a great extent through the efforts of the Missoula Braille Transcribers Association.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Students served directly at Great Falls	142	Generally increasing
Students served state-wide	30	Increasing
Educational films	400	Increasing
Children transferred to public school classes	28	Increasing

PROGRAM ► CAPTION SCRIPTS AND STUDY GUIDES **Cost \$ 24,365**

◦GOALS

Provide contract services for the United State Office of Education—Captioned Films for the Deaf.

◦OBJECTIVES

Develop study guides for the use of deaf children in classes throughout the United States and write captioned scripts for educational films for the use of education programs for the deaf.

◦ACHIEVEMENTS

*We considered it an honor and a privilege to have been successful in getting this contract with the Office of Education. It has provided useful materials for us and for hundreds of other schools and classes throughout the country and at the same time provided some recognition on a national basis for our School.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	SPECIAL EDUCATION	3
ADMINISTERING AGENCY	▶	HISTORICAL SOCIETY	0410
Administering Agency's PRINCIPAL GOAL(S)	To collect and classify Montana historical material.		
	To provide a museum to portray Montana history and art in an orderly and graphic manner.		
	To provide publications and other material portraying regional history.		
	To acquire non-current records of permanent value to the State, to preserve and manage them, to the end that the people may receive maximum benefit from a knowledge of state affairs; and so that personnel of State agencies, and scholars will have ready access to the documents and records for study and research as a continuing program.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 74,984
01	Library		63,943
02	Museum and Galleries		36,934
03	Magazine		83,463
04	Merchandise		224,421
▶	TOTAL		<u>\$483,745</u>

OVERVIEW

Major attention of the staff and board has been devoted: to the new wing of the Veterans-Pioneers Memorial Building, to the opening of the Society's largest single new display area, Territory Junction; and to urgently needed staff additions. Hiring of a full time security guard was the first step in strengthening the security system. Museum attendance is increasing and indicates a need for a visitor information center.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Provide funds for the employment of additional security personnel to protect the valuable collections.*

*** In view of the multi-million dollar values of art and other items on display, it is imperative that we develop an adequate security system.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION.....Cost \$ 74,984

◦GOALS

Provide for the overall management of the Society and effective handling of fiscal, personnel, and policy matters.

◦OBJECTIVES

To provide effective: fiscal and budgetary control; personnel management, policy determination, and

supervision of all programs.

◦ACHIEVEMENTS

- *Upgraded the museum acquisition and registration methods for gifts and loans.
- *The Society for the first time acquired a full time security guard. In view of the multi-million dollar value of art and other displays this was a needed position.

PERFORMANCE INDICATORS

Territory Junction, the Society's largest single new display area, was opened on July 11, 1969. The first day's attendance totaled more than 2,500.

PROGRAM ► LIBRARY.....Cost \$ 63,943

◦GOALS

Effectively serve State agencies, including the Society staff, scholars, and the general public by collecting, preserving, organizing, publishing, and otherwise making available material pertaining to the past history of Montana as well as current events.

◦OBJECTIVES

Maintain a continuing effort to collect a copy of all books, newspapers, photographs, manuscripts, private letters, or other material pertaining to both the past history and current events concerning Montana.

Index and make available to the public all information contained in the Library.

Record, on microfilm, all newspapers and historical documents which might otherwise be lost to deterioration of the papers through the years.

Serve as a records keeping department for State agencies and to past judgment on whether or not a particular document of record is historically significant enough to merit permanent storage.

◦ACHIEVEMENTS

*Initiated the first of a series of inter-library conferences including representation from all University unit history departments and libraries. The goal of this conference was to cooperate in the collection and utilization of history materials, with emphasis on working together to keep collections in Montana; too many of which have left the State.

PERFORMANCE INDICATORS

The library stepped up its microfilming program and acquired additional equipment to better serve library patrons.

Acquisition of historic papers and archives in the library continued in heavy volume.

PROGRAM ► MUSEUM AND GALLERIES.....Cost \$36,934

◦GOALS

Provide visitors a graphic, visual, and interpretive view of the State of Montana, its people, environment, heritage, and culture through the use of exhibits, dioramas, artifacts, and art objects.

◦OBJECTIVES

Continued creation, construction, and maintenance of exhibits depicting Montana history.

Effectively maintain a gallery of original Charles M. Russell art, and a gallery of contemporary art where selected artists can display their works.

Continued collection of antiques and Indian artifacts of early Montana times for display to the public.

Become more selective in what is accepted and establish a written policy governing acquisitions.

◦ACHIEVEMENTS

*Demonstrating the heavy volume of acquisitions in the museum-gallery division, a total of 73 donors presented about 12,000 different objects and artifacts during the year. This reflects, in part, a great deal of publicity about the Society and its new museum facilities. Gifts have come in small and large collections. For example: about 3,000 specimens were acquired from the old Parchen Drug store in Helena; a collection of 1,900 specimens came from the old Blake Building in Helena.

PERFORMANCE INDICATORS

Museum attendance: Approximately 115,000 persons per year.

PROGRAM ► MAGAZINE..... Cost \$ 83,463

◦GOALS

Present, in readable, authentic and well-illustrated form, the history of all the western states with emphasis on Montana's past.

"The Montana Post", as the voice of the Society, publish news of its activities, personnel, and coming events, along with short, feature articles based on the collections in the Historical Society Library.

◦OBJECTIVES

Maintain the quality of printing for which the magazine has become well known and the quality of material published.

◦ACHIEVEMENTS

*"MONTANA The Magazine of Western History" has shown a steady growth of direct mail readership to where it is now recognized as the most widely read journal of history published by any historical society in the country. Under Editor Vivian Paladin, this magazine received a national first place award from the National Federation of Press Women.

PERFORMANCE INDICATORS

The Society's quarterly publication, "MONTANA The Magazine of Western History", has the largest circulation of any state historical society publication, now approximately 15,000.

PROGRAM ► MERCHANDISE..... Cost \$224,421

◦GOALS

To provide, as a service to the public and as an important source of revenue for the society, appropriate merchandise in the form of historical books, art prints, limited bronze castings and other items of interest.

◦OBJECTIVES

To maintain wholesale and retail activities in the merchandising of C.M. Russell prints and bronzes, western books, and other related items, in order that profit may be realized for operating income for the museum and galleries program.

◦ACHIEVEMENTS

*Major gains were made in sales of Russell Bronzes during the year.

*The Society issued a new color print catalog as part of its sales program. Distribution of the catalog was quickly reflected in increased sales of prints.

PERFORMANCE INDICATORS

Museum attendance: Approximately 115,000 persons per year.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	SPECIAL EDUCATION	3
ADMINISTERING AGENCY	▶	STATE LIBRARY COMMISSION	1290
Administering Agency's PRINCIPAL GOAL(S)	<p>Provide quality library service at the state level, to meet the needs of State government and to supplement local public libraries where their resources are insufficient.</p> <p>Provide adequate library service to the State's institutionalized and/or handicapped population.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Library Services and Development		\$357,924
01	Library Networks		47,639
02	Institutional Library Service		73,078
03	Library Services for the Physically Handicapped		31,252
▶	TOTAL		<u>\$509,893</u>

OVERVIEW

Significant increases were noted in the use and lending of library materials, and in serving the special groups to which our institution service and blind/handicapped programs are directed. In the library networks program, an experiment with centralized cataloguing and processing points to a more efficient future operation for this agency as well as for other libraries in the State. Plans for extended services with the Pacific Northwest Bibliographic Center, and in connection with WICHE programs also promise increased operating efficiency with a modest increase in funding.

A significant approach has been made to better coordination of library service to State government offices. At the same time, the State Library must have an increased budget for books and other library materials if it is to meet the growing demands placed upon it, and to provide the kind of rapid access to books and information required today.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. A substantially increased budget for the Library's acquisitions (books, periodicals, microfilms) is needed to meet the information and reference needs of government, public libraries, and the persons who have no local access to libraries. Concurrent with an increase in the materials budget is funding for additional shelving, and cataloguing and processing costs for new acquisitions.

ooo Implementation of these recommendations will require an appropriation of \$272,656 for the biennium.

2. Increased service to residents and inmates of State institutions should be provided by opening libraries in institutions where population warrants and where adequate physical facilities are available, and increased development of contract library service from public libraries near the institutions.

◦◦◦ A two year program with the recommended emphasis would cost \$77,600.

3. Additional funds should be appropriated to permit Montana's libraries to fully participate in present and projected expanded services of the Pacific Northwest Bibliographic Center.

◦◦◦ Proper support of the Center can result in more economical development of library resources for all kinds of libraries within the state. Approximate two-year cost: \$65,500.

4. Increased secretarial support for the staff and an additional librarian to handle readers' service and reference requests for blind and physically handicapped persons should be provided.

◦◦◦ Approximate two-year cost: \$23,000.

5. The State Legislature, and the State Library should encourage the further development of multi-county public library federations by increasing the consultant and support staff of the State Library to work with local libraries and governing bodies in planning federations.

◦◦◦ \$35,700 for the biennium.

6. Improvement of facilities and equipment in the State Library quarters to house the collection and the staff should be provided.

◦◦◦ Two year costs estimated at \$27,800.

7. A new building to house the State Library should be provided adjacent to the Capitol Complex.

◦◦◦ As a library for State government, the State Library is unable to provide service at the optimum level because it is located at some distance from the greatest number of State government offices. The present leased quarters will be filled to capacity by the end of the 1973 biennium. A new building should be designed for library service, with a total area of approximately 100,000 square feet. Estimated cost is \$2,350,000. Federal funds under Title II of the Library Services and Construction Act may be applied to such a project depending upon Congressional appropriation. Montana's allocation under this act as it now stands can be as high as \$361,279 for each year of the biennium.

ANALYSIS OF PROGRAMS

PROGRAM ► LIBRARY SERVICES AND DEVELOPMENT.....Cost \$357,924

◦GOALS

Provide effective library service (information, reference, lending) to officers and employees of State government, local public libraries throughout the State (to supplement their resources), and directly to those residents of the State who have no direct access to public libraries. Provide consultant advice and assistance to public librarians, library boards, and local government agencies on the best means of improving or establishing public libraries.

◦OBJECTIVES

To provide prompt library service to any employee of the State government; to have available those materials which public libraries throughout the State may need to supplement their own collections. To encourage the development of quality public library service throughout the State in order that every Montanan may have access to good service at the local level.

◦ACHIEVEMENTS

Of first importance to the continued development of public library service was the formulation of standards by State Library staff and the Montana Library Association, officially adopted by the State Library

Commission pursuant to R.C.M., 44-131(8), and published in December 1969, as MONTANA PUBLIC LIBRARY STANDARDS.

*During the year, the voters of Beaverhead County approved the establishment of, and levy of taxes for, a county library to participate in the Big Sky Federation.

*The County Commissioners of Big Horn and Carbon Counties approved the participation of their counties in a Federation demonstration, extending service from the Billings Public Library.

*State government offices continued use of the State Library, and continued examination of this part of the program are underway.

*Under a grant from the Council on Library Resources, the Deputy State Librarian has begun a series of visits to other state libraries to look at patterns of service which might profitably be adapted for Montana.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
State Library collection (volumes)	131,028	Increasing
State Library circulation	71,968	Increasing
Counties participating in federations or demonstrations	18	Increasing
Construction projects completed	2	Varies

PROGRAM ► LIBRARY NETWORKS..... Cost \$ 47,639

◦GOALS

Coordination of the resources and services of all types of libraries in the State in an effort to eliminate the barriers of geography and type of library that would otherwise restrict the library user to his local collection.

◦OBJECTIVES

To make available, through photocopy or inter-library loan, any materials held in the State, to any person in the State; to increase the capability of library personnel through training programs and in-service education; and to support cooperative programs designed to improve access to materials and services.

◦ACHIEVEMENTS

*In an experiment to determine the feasibility of a centralized cataloguing-processing operation for the State, the State Library funded a demonstration at the Billings Public Library to handle acquisitions for itself, the Helena Public Library, a number of small public libraries, and the Billings' elementary school libraries. This program has been determined a success and the participating libraries will continue—paying their own share of costs.

*The State Library has been represented on a state-level committee to work toward better access to medical library resources during the year, and the staff has participated in planning toward expanded services from the Pacific Northwest Bibliographic Center.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Volumes catalogued through processing center	6,390	Increasing
Inter-library loan transactions	2,909	Increasing

PROGRAM ► INSTITUTIONAL LIBRARY SERVICECost \$ 73,078**◦GOALS**

To offer to inmates and residents of the institutions a high-quality library service equal to that available in the best public libraries, and the integration of that service with rehabilitation and therapy programs in the institutions.

◦OBJECTIVES

Maintain a library with proper collection and staff on site; provide consultant assistance and loan of materials to already established library facilities; contract with a strong public library in the area to provide library service through bookmobile, deposit of books, and open access to that library's collection.

◦ACHIEVEMENTS

*The year's most dramatic achievement was the completion of plans, and letting of a contract for remodeling a room at the State Prison providing for the first time, adequate quarters for the prison library program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Circulation, State Prison	28,631	Increasing
Cumulative total of patients using library, Warm Springs	14,355	Increasing

PROGRAM ► LIBRARY SERVICES FOR THE PHYSICALLY HANDICAPPEDCost \$ 31,252**◦GOALS**

Provide effective general library service to any resident of the State who, because of a visual or physical handicap, is unable to read normal print or to hold a book or magazine or turn pages.

◦OBJECTIVES

To make available the variety and depth of library materials available to an unhandicapped sighted person. Provide Talking Books and Talking Book machines; books on magnetic tape; cassette players and books on cassette tapes; large type books; and a contract with the regional library in Seattle, braille materials.

◦ACHIEVEMENTS

*The number of persons using this program increased by 30%. In addition, some 400 persons in State institutions are regular Talking Book users.

*Cassettes and books on cassette tapes were introduced this year, offering a needed service to students as well as all others for whom portability in machine size is useful.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Individuals using service regularly at end of year	796	Increasing
New titles to the collection	439	Unknown
Periodical titles (accumulative)	39	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	EDUCATION	3
MAJOR PROGRAM AREA	▶	SPECIAL EDUCATION	3
ADMINISTERING AGENCY	▶	MONTANA ARTS COUNCIL	0409
Administering Agency's PRINCIPAL GOAL(S)	<i>Provide service to arts organizations, institutions, and individuals desirous of study, participation and presentation in and of the arts.</i>		
	<i>Provide for development and strengthening of new and existing cultural resources.</i>		
	<i>Stimulate and encourage public awareness of and participation in the benefits of cultural excellence.</i>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Promotion of the Arts		\$ 66,236
	Sub-Programs:	Touring \$12,739	
		Technical Assistance 15,301	
		Special Projects 11,923	
		Administration 26,273	
▶	TOTAL		<u>\$ 66,236</u>

OVERVIEW

This fiscal year marks the first year that the council has employed an executive director to carry out its mandates. An immediate result was the extension of services far beyond our initial expectations and, beyond that, regional and national representation and participation in a far greater degree than any other western state. Fifty-one grants were awarded to arts institutions and organizations within our State in accordance with our legislative mandate.

Attendance figures exceeded 200,000. The council's financial resources are extremely limited. Certainly not adequate to meet the cultural tasks before it. It is imperative at this time in our State's history that we develop current cultural assets and synthesize new resources for utilization by present and future generations.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated (\$12,500) to provide: A salary increase of 8% for present employees; hiring of a clerk-typist; and additional office equipment and expenses.*

ooo Additional expenses include additional meetings of the entire council (per diem and travel), and increased communications, supplies and materials, special fees and contracted services.

2. Additional funds should be appropriated (\$90,500) to be awarded upon approval of application to no less than thirty-four arts organizations and/or institutions within the State.

◦◦◦ Each of the thirty-four organizations have received funds derived from federal sources in support of specific projects. Nearly all have expressed local needs of broader support—not project oriented. This program would afford financial assistance to strengthen the cultural organizations at the local level with specific regard to cultural growth within the community.

3. Additional funds should be appropriated (\$25,000) from State sources to be matched by funds (\$25,000) derived from existing Federal sources to enable rural and urban communities to more fully participate in the finest cultural activities available.

◦◦◦ Presently, each grant made to communities, regardless of size, is done so on a matching basis. Because the Montana Arts Council has no matching sources, each grantee provides the one-half matching funds. Many rural and urban communities cannot: (1) provide large audiences, or (2) sponsor multiple performances due to small population, or (3) underwrite high costs due to travel and per diem costs of the touring group and/or individuals. Depending on the local circumstances, the Montana Arts Council could grant funds drawn from State and Federal sources to bring the community's portion of the cost down to a reasonable figure—one which the community would find feasible.

4. Additional funds should be appropriated (\$10,000) from State sources to be matched by funds (\$10,000) derived from existing Federal sources and be available for application by arts organizations or institutions to provide financial and technical assistance for pilot projects, administration, and consultant assistance, consistent with cultural and artistic growth and goals.

◦◦◦ It has been the practice of the Montana Arts Council to provide matching funds up to one-half of the total cost to arts organizations and/or institutions for technical and financial assistance in pursuit of their locally determined goals, provided those goals generally met the specifications of quality and administration of high purpose.

5. Additional funds should be appropriated (\$22,500) to be matched by funds (\$22,500) derived from existing Federal sources for: scholarships (\$7,500); human resource assistance (\$7,500); and equipment resource assistance (\$7,500).

◦◦◦ Scholarship monies are essential to the continued exploration and growth of the arts. Carrying out the functions of any arts enterprise always necessitates investments for equipment and human expertise. The above categories would offer great improvements in resource availability. Presently, too little of each is available. Montana's teachers, artists, arts administrators and officers are not able to attend vital functions within the arts due to high costs involved and the importation of arts experts is extremely curtailed due to local budgetary requirements. The availability of these categories would readily provide half the total costs for such endeavors. Minor, but significant equipment allocations are also vital to successful conclusions of many projects in that most organizations are already seeking assistance for on-going projects but are unable to secure funding sources.

ANALYSIS OF PROGRAMS

INTRODUCTION

The Promotion of the Arts program is best described and analyzed through recognition of the sub-programs into which it is divided.

SUB-PROGRAM ► TOURING Cost \$ 12,739

◦GOALS

Provide effective financial assistance to communities and/or arts organizations to reduce performance/activity costs to the communities involved.

◦OBJECTIVES

To assist in making the arts available to the greatest number of people and to stimulate and encourage the presentation of and participation in the highest quality arts activities available to any community, regardless of size.

◦ACHIEVEMENTS

•In sponsoring the Montana Repertory Theater's (MRTC) tour throughout the State, the third-year company achieved its greatest successes by performing in ten Montana cities for 33 performances. A crucial year for any touring group, the MRTC has established itself as having a relative degree of permanency, an important aspect in quality and reputation. In a similar manner, initial successes were encountered in the cities of Kalispell, Butte and Helena as the council shared touring expenses of "BALLET WEST".

•The Arts Council sponsored Young Audiences, Inc.—39 performances in 21 cities at elementary schools on a cost-sharing basis; return visits are in great demand which is a reflection of the quality and popularity of the project.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Performance attendance	45,000	Increasing

SUB-PROGRAM ► TECHNICAL ASSISTANCE Cost \$ 15,301

◦GOALS

Provide effective financial assistance to communities and/or arts organizations to strengthen local cultural resources and to help in the creation of new services.

◦OBJECTIVES

To strengthen and present the arts to the greatest number of people and to stimulate and encourage the continued presentation of and participation in the highest quality of arts activities available on the community level.

◦ACHIEVEMENTS

•The Montana Arts Council co-sponsored workshops and seminars at universities and colleges; funded local arts councils and arts institutions; underwrote six community symphony orchestras; and gave financial assistance to the MIA's periodical—MONTANA ARTS.

•Grants were made: in support of a brochure disseminated at the Smithsonian Institute in relation to Montana craftsmen and artists; to a Montana foundation in support of a study grant, to a local institution for a statewide organizational meeting of MAGDA (the Montana Art Gallery Directors Association), and to a local arts council for support of an International Arts Festival.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Attendance	164,000	Increasing

SUB-PROGRAM ► SPECIAL PROJECTS.....Cost \$ 11,923**◦GOALS**

Provide effective financial assistance to applying organizations or institutions for special projects, pilot programs and scholarships.

◦OBJECTIVES

To offer aid to organizations and institutions for implementation of projects not considered to be a normal day-to-day function of the respective group, to encourage new directions and dimensions in arts services, and to aid in the acquisition of student scholarships within the arts.

◦ACHIEVEMENTS

*Special presentations, arts festivals and scholarships were funded on a matching basis in conjunction with: the Red Lodge Music Festival, Red Lodge; Billings Studio Theater, Billings; the State Festival of the Montana Institute of the Arts (M.I.A.), Glendive; the Annual Young Dancers Festival of the Montana Dance Arts Association, Helena; the National Association of Teachers of Singing, Montana Chapter; the Montana State Music Teachers Association; the Montana High School Fine Arts Camp at Missoula; the Annual Summer Festival of Chamber Music at Montana State University, Bozeman; and the Montana High School Arts Festival, Bozeman.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Attendance	11,000	Increasing

SUB-PROGRAM ► ADMINISTRATION.....Cost \$ 26,273**◦GOALS**

Provide effective technical, planning and informational assistance to organizations or individuals interested in the arts; central informational services for all grantees; solicitation, compilations and presentation of all grant requests submitted to the Montana Arts Council, the Federation of Rocky Mountain States' Arts and Humanities Council, and regional coordination of national dance programs.

◦OBJECTIVES

To provide, at no cost to the requestor, administrative and/or technical assistance, information, and representation concerning the arts.

◦ACHIEVEMENTS

*The office of the Executive Director has provided technical assistance to six community arts councils; solicited, processed, and made final reports on more than seventy grant applications; secured a special \$11,000 grant from Federal sources, obtained \$7,500 in Federation of Rocky Mountain States' grants for arts organizations in Montana, co-conducted projects with Junior League, high schools, a community college, and local MIA boards; engaged in eight speaking engagements; attended four regional, three national, and three state meetings pursuant to council activities; conducted correspondence with some 700 organizations and individuals; provided juror services for two arts festivals and participated in four others; is the secretariat for the Montana Art Gallery Directors Association and the Montana Arts Council; and awarded Technical Assistance grants approved by the chairman to 20 arts organizations or institutions.

PERFORMANCE INDICATORS

GOVERNOR'S ANNUAL REPORT

Function ► **HEALTH, SOCIAL ASSISTANCE & REHABILITATION**

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PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE, AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	PUBLIC HEALTH	1
ADMINISTERING AGENCY	▶	DEPARTMENT OF HEALTH	0701
Administering Agency's PRINCIPAL GOAL(S)	Assess the health needs of and provide beneficial health programs for the people of Montana by use of the most practical and economical means.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Management Services		\$ 324,823
01	Maternal and Child Health		939,079
02	Communicable Disease Control		223,767
03	Adult Health		179,290
04	Health Care Facilities and Manpower		2,595,878
05	Comprehensive Health Planning		92,603
06	Environmental Control		394,462
▶	TOTAL		<u>\$4,749,962</u>

OVERVIEW

The Department of Health has received the most attention for its activities in environmental health. Progress, however, has chiefly been limited by lack of sufficient staff. We are recommending increased appropriations to match the public desire for an improved environment. Also, the Industrial Hygiene Act needs to be revised to make enforcement of regulations possible. Comprehensive health planning is in the process of identifying health problems and offering solutions. We will continue to promote family planning services as one of our high priorities.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$4,730,198) should be appropriated to enable the department to carry out its legal responsibilities for water pollution control and to provide grants to municipalities for the construction of sewage treatment facilities.*

ooo A portion of this amount would be used for grants-in-aid to municipalities for the construction of sewage treatment facilities. The remainder would be used to hire 21 additional people in water pollution control. In this regard, a stream surveillance program must be conducted to insure that minimum standards are met and to gather basic data for planning.

2. Additional funds (\$133,697) should be appropriated to facilitate control of air pollution.

ooo Additional funds are required to fully match Federal funds to employ new professional, technical and clerical personnel required to implement more effective air pollution control activities. Inspection and field control have become increasingly necessary.

3. Additional funds (\$542,092) should be appropriated to support expanded general environmental sanitation activities.

ooo A minimum of 22 additional professional, technical and secretarial personnel are required if the Department is to properly discharge its responsibilities in general environmental sanitation.

4. Additional funds (\$14,150) should be appropriated to purchase supportive supplies and services for microbiological studies in water pollution control and the extension of food microbiology to include more testing for quality control.

ooo Presently, the laboratory is only able to perform a limited number of these tests and this service should be increased. In the quality control of foods for human consumption, tests should be extended to many items.

5. Additional funds (\$55,306) should be appropriated to permit the Department to properly discharge its responsibilities in the development of a solid waste management program to prevent pollution of the environment, assist in vector control and protect public health and safety.

ooo Montana has some 514 communities but only 14 properly operated sites for the disposal of solid wastes. Since most municipalities find it difficult to properly operate a landfill dump, or to select a site and develop such a refuse disposal area, it is essential that an engineer be employed to assist them. Other costs included in this proposed expansion of the solid waste disposal program are secretarial assistance, automotive and scientific equipment and related expenses.

6. Legislation should be enacted to provide for the licensing of laboratory personnel in the State. Additional funds (\$26,130) should be appropriated to implement the services.

ooo The weakest aspect of clinical laboratory work is the unqualified persons who are performing tests. Montanans spend \$25,000,000 annually on laboratory tests and \$5,000,000 of this is for tests whose results are misleading.

7. Additional funds (\$119,706) should be appropriated to support pesticide control activities.

ooo It is necessary that steps be taken to control the use and distribution of pesticides. Only with proper control can pesticides be kept out of the food chain or maintained at minimum levels to prevent harmful effects in humans and animals.

8. Additional funds (\$36,932) should be appropriated to employ a public health educator and pay related costs.

ooo Public education is fundamental to the success of all environmental control services and a public health educator is needed to work in water pollution control, solid waste disposal, pesticide control, and general environmental sanitation.

9. Additional funds (\$34,590) should be appropriated to support increased services in the Montana Rheumatic Heart Disease Control program – Throat Culturing project.

ooo The number of reported cases of rheumatic fever increased from 14 in 1968 to 60 in 1969. At least 40 of the cases reported in the latter year could have been prevented by the adequate attention to preventive diagnosis of streptococcal pharyngitis.

10. Additional funds (\$74,000) should be appropriated for the purchase of vaccines and to pay necessary travel expenses in the state-wide immunization program.

ooo Approximately 12,000 children must be immunized each year for such diseases as diphtheria, tetanus, whooping cough, rubeola, rubella, smallpox and polio. Recent surveys show that immunity levels for many of these diseases are dangerously low, and intensified efforts will be required to protect Montanans against these diseases.

11. Legislation should be enacted requiring that children should be fully immunized against communicable diseases, as recommended by the Board of Health, at the time they are first enrolled in school.

ooo To achieve adequate control of many of the childhood diseases for which vaccines are available it is necessary to immunize at least 90 per cent of the susceptible population. Immunization upon entrance into school offers the most feasible and practicable way of achieving adequate immunization levels.

12. Additional funds (\$13,644) should be appropriated to pay one-half salary of a public health nurse, and related expenses, to work in family planning.

ooo The services of a nurse are needed in communities throughout the State to work with local people in setting up family planning clinics.

13. Additional funds (\$51,718) should be appropriated to employ two people to work throughout the State in coordinating and promoting alcohol and drug dependence programming.

ooo The additional personnel would provide the manpower necessary to carry out the mandate of legislation that established the Commission on Alcohol and Drug Dependence.

14. Additional funds (\$123,766) should be appropriated to employ professional, technical and clerical personnel to handle increased responsibilities in industrial hygiene services.

ooo It is estimated that there are a minimum of 10,000 workers in Montana exposed to conditions that will cause permanent injury to their health. With the addition of three industrial hygiene specialists, a chemist and clerical support, it may be possible to control between 75 and 85 per cent of the occupational health problems in the State. At present, not more than 15 to 20 per cent are under control.

15. The Industrial Hygiene Law should be replaced by a comprehensive occupational health act to enable effective promotion and maintenance of the health and economic ability of Montana's workers.

ooo A poor performance by Montana employers in maintaining healthful working environments, combined with the inability of the State Health Department to effectively maintain and promote occupational health in places of employment, is the basis of continuing occurrences of occupational injuries.

16. Additional funds (\$22,176) should be appropriated to permit the employment of an Assistant Administrative Officer.

◦◦◦ The proposed increases in the operating programs, if approved, will cause considerable increases in personnel and program activities and will have a considerable impact on general management services.

17. Additional funds (\$143,766) should be appropriated to employ new personnel and to defray other costs arising from the gradual general increase in the overall public health program.

◦◦◦ A personnel officer should be employed to handle personnel increases in terms of quantity and mobility. Attorney services should be increased to a full time basis to handle the increasing number of special court cases, and additional funds are required to handle costs transferred from the Department of Administration for central administrative services performed.

18. Additional funds (\$80,900) should be appropriated to pay for physician services for the correction of cleft lip and/or cleft palate in children and for the services of a speech and hearing therapist.

◦◦◦ The federal grant, received for this purpose is not adequate to meet rising costs or increasing demands. Children denied corrective surgery face a severe handicap throughout life.

19. Legislation should be enacted to provide for fluoridation of public water supplies.

◦◦◦ Fluoridation of public water supplies has been proved throughout the world as a safe and efficient method of reducing dental decay, often as much as 60 per cent in children.

20. Regionalization of the State should be effected to coordinate and effectively use nutrition services for the benefit of local communities; to improve services; and to utilize State Department of Health nutritionists to train and supervise other workers in the field.

◦◦◦ The possibility of serious malnutrition exists. To attack this problem effectively, coordination of agencies of both the State and local levels is required.

21. Legislation should be enacted establishing minimum standards of training and equipment for ambulance personnel and ambulance services.

◦◦◦ Many persons injured in highway accidents die needlessly or are permanently disabled because they do not receive prompt and proper emergency care. In a recent survey of ambulance services throughout Montana, 80 per cent of the operators recognized the need for regulations governing such services.

22. Additional funds (\$28,944) should be appropriated to employ another audiologist to be stationed in Billings and complete the staff for a total hearing conservation program.

◦◦◦ Due to a loss of the project budget for audit hearing programs, the program has been discontinued. However, the need for this service is continually growing.

23. Additional funds (\$23,216) should be appropriated to employ a public health field representative to work in emergency medical services.

◦◦◦ A public health field representative is needed to coordinate training courses for ambulance personnel and to work with the operators of emergency vehicles in improving existing equipment.

24. Additional funds (\$115,000) should be appropriated to provide increased State financial aid to local public health departments.

ooo Increased State assistance would provide more adequate services or initiate services where they are presently non-existent. Presently, many areas have very inadequate health standards and services.

25. Additional funds (\$28,126) should be appropriated to employ a dental hygienist and to pay for supplies and related costs.

ooo The service of the Dental Division is limited because the dental director is available on a very limited basis.

26. Additional funds (\$78,261) should be appropriated to support the operations of the Montana Tumor Registry—a component of the cancer program.

ooo The Montana Tumor Registry program should have a significant effect in the compilation and evaluation of information regarding cancer cases and should provide good education to Montana physicians regarding this health program.

27. Additional funds (\$33,700) should be appropriated if health services are to be provided to migratory agricultural workers.

ooo There is a wide-spread need for health care in this population group. A medical care component with clinic facilities should be made available to these families on an outpatient basis near their place of employment.

28. Additional funds (\$6,000) should be appropriated to purchase equipment for the Chemistry Laboratory.

ooo The requested appropriation represents the minimal amount of new equipment required to meet the increased workload.

29. Section 69–5212 and Section 69–5216, R.C.M., 1947 should be amended to require sponsors of health facility construction to submit an application to the State Department of Health for approval of the need for such a facility.

ooo The proposed legislation, if enacted, would prevent the construction of unneeded health care facilities, the duplication of expensive equipment and services and staffing requirements.

30. Legislation should be enacted to amend the present long-term care facility licensure category of "Personal Care Home" to that of "Intermediate Care Home."

ooo This change would put the State's licensing program in compliance with the Intermediate Care legislation of the Federal Title XIX (Medicaid Program).

31. Additional funds (\$35,040) should be appropriated to employ an administrative assistant and a public health nurse in the Division of Hospitals and Medical Facilities and to pay related costs.

ooo An administrative aide to the director of the division is required to insure timely and orderly workflow. A public health nurse is needed to provide consultation and assistance to health care facilities

throughout the State, to develop an inservice education program for staff and to arrange workshops, seminars and other means of delivering much-needed assistance to all disciplines in the health facility manpower field.

ANALYSIS OF PROGRAMS

PROGRAM ► MANAGEMENT SERVICES.....Cost \$324,823

°GOALS

Provide effective, efficient. medical supervision of public health programs; fiscal management; personnel management; inservice training; public health education; financial assistance to local health departments; and maintain adequate records regarding vital statistics.

°OBJECTIVES

Select and promote those health programs that can achieve the greatest effectiveness in improving the general health of the people; coordinate intradepartmental program planning and all personnel and divisions into an integrated working unit; provide in-service training for state-level staff, local public health personnel and workers in related professions; provide public health education directed toward specific target groups and the general public; support and improve direct services to the public delivered by local public health units; maintain essential vital records and related data, making records available to individuals for whom they are intended; analyze data needed for planning and evaluate health programs.

°ACHIEVEMENTS

- Enabled local health departments to continue the staff services of 30 sanitarians and 115 public health nurses.
- Activities of state-level health education consultants were coordinated with those of health educators employed by local health units and the federal government.
- The "Annual Statistical Supplement," compiled by the Division of Records and Statistics, was widely used within and outside government for planning to meet the needs of Montanans.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Per cent of work completed on Planning Program Budgeting	25	Increasing
Aid to local areas	\$86,304	Increasing
Total employees (includes local health department employees with part salary paid by State Department of Health)	266	Increasing

PROGRAM ► MATERNAL AND CHILD HEALTH..... Cost \$339,079

°GOALS

Provide services designed to protect and enhance the health and welfare of Montana's children and their mothers.

°OBJECTIVES

Increase the use of well-child clinics which have as their goal, the conservation of the well-child's health and the promotion of the highest level of physical and psychosocial development the child can attain, increase public health nursing services to mothers, infants and pre-school children in selected low-income areas; provide family planning education to the public; educate prospective parents regarding the maternity cycle and infant and pre-school care; provide, maintain and promote programs, for the diagnosis and evaluation of children with handicapping conditions and for counseling their parents; continue financial assistance, state-wide, for crippled children needing care; provide a PKU screening test for every newborn in Montana so cases may be treated before irreversible mental retardation develops; and reduce and control dental disease in the general population of Montana through programs of prevention, services, education and research.

°ACHIEVEMENTS

*A successful family planning clinic was started in Billings.

*In 1969, 23 babies were born with cleft lip and/or palate. Twenty were registered, two moved out-of-state, and one was referred to a Center outside of the State. One hundred and forty-four children were seen in Cleft Palate Clinics throughout the State. Three hundred and seventy-nine received either clinic evaluations or some financial assistance.

*The Microbiology Laboratory tested 11,996 children for PKU. One case of PKU was detected. The average cost of maintenance of a case of mental retardation is \$150,000. The cost-benefit ratio of this program therefore is 1:15.

*A State advisory committee on family planning was organized.

*Health educators assisted in planning a maternity workshop for nurses which included family planning.

*Family planning educational programs were developed. An educational program was conducted each three months at the State facility for unmarried mothers

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Per cent of population covered by Family Planning Services	20	Increasing	Children receiving services in Well-Child Clinics	2,959	Increasing
School children screened for vision and hearing by public health nurse	154,804	Increasing	Hi-risk mothers admitted to nursing service	144	Varies
Handicapped children receiving physician's services under the Crippled Children's Services	1,300	Stable	Children receiving audiological evaluation	330	Varies
Children receiving instruction and motivation for self-application of fluoride and brushing of teeth	5,012	Increasing	Communities fluoridating their water supplies	11	Increasing
Prospective parents receiving education for Parenthood Classes	298	Decreasing			

PROGRAM ► COMMUNICABLE DISEASE CONTROL..... Cost \$223,767

◦GOALS

Provide a disease-free environment for the people of Montana.

◦OBJECTIVES

Maintain acceptable disease level for those communicable diseases for which preventative measures are available.

◦ACHIEVEMENTS

*During the fiscal year, we began the Rubella Eradication Program. A total of 64,870 children were immunized against rubella during the year through rubella clinics and cooperating agencies.

*The establishment of tuberculosis out-patient clinics in Great Falls and Missoula Health Departments is expected to increase case-finding potential.

*The quality of the nursing program was improved.

*School tuberculosis programs were done in elected areas on children from kindergarten through grade twelve. There were 8,812 children tested, with a reactor rate of less than one per cent.

*A rubella syndrome central register program was established, in which rubella-afflicted children could be identified so that services which would make these individuals productive citizens could begin.

*An epidemiological study to determine the risk of mosquito-borne encephalitis in Montana was conducted.

*The microbiology laboratory performed 45,505 tests in support of communicable disease control. We have instituted serologic tests for evidence of infection by rubella as a routine procedure.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Total cases of early infectious syphilis	3 (1)	Varies
Total cases of gonorrhea	519 (2)	Increasing
Children under eight susceptible to rubeola	3,000	Decreasing
Children ages one through twelve susceptible to rubella	123,852	Decreasing
Per cent of total population immunized against polio	60 (3)	Decreasing
Cases of tuberculosis	108 (1)	Increasing
Active tuberculosis cases at home on drugs (per cent)	83.4 (4)	Increasing

(1) Increases in numbers of reported cases are usually a direct reflection of improved case finding and better control of infectious diseases.

(2) An epidemic of gonorrhea is sweeping the nation with cases reported up 50 per cent.

(3) Since the mass immunization campaigns against polio, immunity in the population has decreased. This should serve as a warning that renewed efforts are needed.

(4) Improved control of tuberculosis will result from drug therapy.

PROGRAM ► ADULT HEALTH..... Cost \$179,290

°GOALS

Provide effective: diagnosis, therapy and rehabilitation for major adult illnesses; emergency care, laboratory service; safety education; and preventative care.

°OBJECTIVES

Provide consultation and diagnosis to physicians in Montana for rheumatic and congenital heart disease in adults; locate the hidden diabetics in Montana's population and urge them to seek proper medical care; effectively integrate nutrition services into all chronic disease programs; provide chemical laboratory services in all public health programs; encourage the development of adequate emergency medical services throughout Montana; further support tumor clinics and coordinate a cancer education program with other agencies; demonstrate the value of a total hearing conservation program for all ages; develop attitudes, practices, awareness and motivation in Montana families to reduce unnecessary death and disability from accidents; and work with Federal, State and local agencies to effectively use facilities, resources and funds for the control of alcohol and drug dependence.

°ACHIEVEMENTS

*Consultation, diet counseling and nutrition education have been both a program of direct service and of training for groups working with the chronically ill.

*A state-wide safety committee has been established. Work has been done in nursing homes and an approach has been made in several pilot counties.

*A cancer register was established in conjunction with six other states in the region. This is a new service that will lead to better care and earlier diagnosis for cancer patients.

*Education programs were conducted on suicide problems, alcoholism, drug abuse and safety procedures.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Patients referred to Adult Heart Clinic	62	Increasing
Adult patients referred out-of-state for evaluation and surgery	6	Increasing
Adults screened for hidden diabetes	19,580	Increasing
Adults referred for definitive diagnosis for diabetes	445	Increasing
Blood alcohol test in chemistry laboratory for Highway Patrol	768	Increasing
Ambulance attendants trained in emergency care	155	Increasing
Per cent ambulance services which have installed modern communication systems	69.6	Increasing
Ambulance services that have direct communication with hospital emergency rooms	10	Increasing
Adults screened for hearing difficulties	1,213	Increasing

PROGRAM ► HEALTH CARE FACILITIES AND MANPOWER..... Cost \$2,595,878**°GOALS**

Provide a coordinated, comprehensive program of needed health services and facilities designed to assure the highest quality patient care at the lowest possible cost.

°OBJECTIVES

Allocate funds from all sources for modernization and construction of health facilities; license medical facilities, laboratories and home health agencies for Medicare participation; assure that health care is provided by facilities that are environmentally safe and staffed by qualified personnel; and develop home health services as an alternative to institutional care.

°ACHIEVEMENTS

*Continued construction on facilities which will provide for 181 new hospital beds and 160 nursing home beds, and expansion of the Missoula Rehabilitation Center, an outpatient facility.

*The first draft of revised standards for licensure of hospitals and related facilities was prepared.

*During the fiscal year, 21,031 people were trained in Medical Self Help and 222 health professionals received Emergency Health Services training. Five health facilities reached a state of emergency health preparedness.

*Eighty student nurses and 26 registered nurse students of Montana State University were provided with field placements in public health nursing.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Percentage of population served by home health services	62	Decreasing
Persons trained in medical self-help	21,031	Increasing
Total public health nurses	134	Stable

PROGRAM ► COMPREHENSIVE HEALTH PLANNING..... Cost \$ 92,603**°GOALS**

Utilize health planning to assist in assuring that Montana provides the highest level of health attainable for each individual within the State.

°OBJECTIVES

Develop an adaptive health services system for the most effective utilization of available and potential health manpower resources while improving current manpower shortages; develop a system which puts the stress on prevention and emphasizes programming for areas and groups that have a high incidence of illness; determine approaches to lessen financial barriers presently restricting access to comprehensive health care.

°ACHIEVEMENTS

- *Developed health planning associations in the State's five planning districts.
- *Initiated the evaluation of health care delivered to low-income persons, from the vantage point of low-income persons and health providers.
- *Developed a program to secure maximum utilization of the tuberculosis institution at Galen.
- *Launched a patient origin study to gather quantifiable data concerning the geographic distribution of persons using hospital facilities.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Effectiveness of area-wide planning (per cent)	25	Increasing
Effectiveness of State-level planning (per cent)	25	Increasing
Total Montanans involved in comprehensive health planning	3,150	Increasing
Per cent of acceptance of comprehensive health planning	15-30	Increasing

PROGRAM ► ENVIRONMENTAL CONTROL..... Cost \$394,462

°GOALS

Control and reduce pollution to protect the public's health from man-made and naturally-occurring hazards in environment.

°OBJECTIVES

Provide surveillance of public water supplies; assist local governments in developing proper solid waste management systems; provide radiological health services to protect the public; effectively administer the Food, Drug and Cosmetic Act, license and inspect food service establishments, markets, manufacturers and locker plants; regulate and inspect swimming pools approve plans for construction of schools and subdivisions; enforce health regulations applicable to hostelries and campgrounds; register professional sanitarians; provide microbiology and chemical laboratory services; provide public health education; and maintain surveillance over sources of air pollution, enforcing control measures to prevent new sources and to reduce present pollution levels.

°ACHIEVEMENTS

- *A small State staff, working with county and city officials, managed to obtain sanitarian services in all but 13 counties, thereby providing coverage for 93 per cent of the State's population.
- *Presently all municipalities and industries have at least the equivalent in water pollution control of primary treatment and 137 of 160 plants have secondary treatment. (Remaining plants must install secondary treatment).
- *Information was compiled on the usage of pesticides in Montana, as well as the amount of pesticide residue in human tissues, serum and poison. Information was given to organizations and individuals on the

types of pesticides and problems with their use.

*Hotels in the State that were considered firetraps are either being remodeled or have been closed.

*County air pollution control programs, provided for in the Clean Air Act, were established. Enforcement of air pollution regulations has resulted in many major industries installing new equipment or completing plans that will bring about significant reductions in pollution.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Plants with approved sewage treatment	137	Stable
Laboratory tests to protect public water supplies	16,903	Varies
Total registered sanitarians	62	Increasing
Per cent coverage by industrial hygiene services	10	Increasing
Per cent control of air pollution	45	Increasing
Total sanitary landfills	14	Increasing
Per cent of public water supplies meeting USPHS standards for interstate carriers	78	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	PHYSICAL REHABILITATION/WELFARE ASSISTANCE AND SERVICES	4/7
ADMINISTERING AGENCY	▶	DEPARTMENT OF PUBLIC WELFARE	1101
Administering Agency's PRINCIPAL GOAL(S)			
	<i>Elevate the living conditions and standards of disadvantaged individuals to a level which is compatible with dignity and good health.</i>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Economic Assistance		\$22,170,719
01	Social Services		2,103,719
02	Eligibility Determination		2,575,683
03	Visual Services		398,371
▶	TOTAL		<u>\$27,248,492</u>

OVERVIEW

The Department has strived to improve its identity as a people-oriented, service-focused agency. We have increased the standards of assistance by the establishment of a special allowance for winter needs which is intended to help people during the time of year when they need it the most. The food stamp and commodity distribution programs have been expanded to state-wide coverage. We have improved our cooperation and participation with other agencies in activities of mutual interest.

Increasing caseloads, particularly in the aid to dependent children and aid to the permanently and totally disabled programs, and increasing medical costs provide the principal reasons for concern. Also of concern is the continuing increase in the cost of living which causes particular hardship among low-income people. We are anticipating additional Federal assistance in funding welfare programs but, in the meantime, the burden must be borne by state and county funds.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to increase assistance grants to meet established standards and to provide for grant increases corresponding to cost of living increases.*

ooo To conform with requirements of recent federal legislation, the Department updated the standards of assistance upon which the amount of assistance grants is based. Presently, grants represent about 88 per cent of the standard. As the cost of living continues to rise a further increase in assistance standards and payments will become necessary.

2. Legislation should be enacted to extend the medical assistance program to include the medically needy.

ooo Medical assistance is now available to only those who qualify for one of the federally-aided categories of assistance. Federal matching funds are available to provide medical services to the group of people whose income is just above welfare standards—the limitation being an income 1/3 above the welfare standard. These people are classified as medically needy.

3. Legislation should be enacted to provide medical assistance payments to recipients in public institutions.

ooo Two-thirds matching federal funds are available for this purpose. With comparatively little upgrading of their standards, the medical portions of the institutions at Warm Springs, Boulder, Galen, Twin Bridges and Lewistown would qualify for medical assistance payments.

4. Additional funds (\$50,000) should be appropriated to enable the Department to remove or raise the maximums which now exist on hospitalization and prescription drugs.

ooo Hospitalization under the medical assistance program is now limited to fourteen days. In a few cases more than fourteen days is required and the burden of paying for additional days falls on the county departments. The same is true with respect to the \$15.00 per month maximum allowance for prescription drugs.

5. Additional funds (\$10,000) should be appropriated to provide the inclusion of podiatry services as a service offered under the Medical Assistance Program.

ooo Podiatry services would improve the daily lives of certain assistance recipients and possibly enable them to become self-supporting.

6. Additional funds should be appropriated to provide supplemental services such as homemaker services.

ooo These services would enable more aged and handicapped individuals to remain in their own home. Not only are people happier in familiar surroundings but such a program would cost the State less than institutionalizing subject individuals.

7. Additional funds should be appropriated to upgrade and expand day care facilities for the care of children.

ooo A vast increase, in the number of children requiring the services of day care facilities is anticipated. Such services enable mothers to enter the labor force thus giving them the ability to be self-supported.

8. Additional funds (\$20,000) should be appropriated to develop two group homes for sixteen adolescents.

ooo We believe that group homes present a more stable environment for teenagers than does the alternative—foster homes.

9. Legislation should be enacted to control illegal and quasi-illegal market adoptions.

ooo The law controlling adoptions is so worded that it is not applicable to anyone except those who set themselves up as child placing agencies. Independent operators can enter the field and take children for placement apparently without any deterrents.

10. Additional funds should be appropriated to expand the Visual Services Program to satisfy the unmet needs of blind and visually handicapped people.

◦◦◦ Adult services are needed by the multiple handicapped and blind such as blind and retarded residents of the Boulder River School and the elderly blind who are residing in rest or retirement homes. Because of having been blinded in later life these individuals require special services which include, in many instances, orientation-mobility.

ANALYSIS OF PROGRAMS

PROGRAM ► ECONOMIC ASSISTANCE Cost \$22,170,719

◦GOALS

Provide adequate income to eligible persons to support a reasonable subsistence, consistent with available funds.

Promote health, prevent illness and premature death; effectively treat all illness and disabilities of persons covered under the Economic Assistance Program.

◦OBJECTIVES

Effectively administer programs and assist county departments supervise their economic assistance programs.

Improve patient classifications in nursing homes.

Obtain maximum benefits from Medicare and promote uniformity in reimbursement for medical services by all agencies throughout the State.

◦ACHIEVEMENTS

*The Food Stamp Program was expanded so that every county in the State has a food stamp program or a commodity distribution program.

*Standards of assistance were updated. However, because of insufficient funds, assistance can be paid only at about 88 per cent of the updated standards.

*Provided recipients of assistance with a special winter allowance.

*Guidelines outlining the quality of ambulance service throughout the State have been developed.

*Approximately 450 recipients were removed from the skilled nursing care program with a savings of \$1.50 per day per case.

*Developed a uniform cost system and guidelines on allowable costs to provide a basis for "reasonable cost disbursement" for skilled nursing care throughout the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Monthly average of individuals receiving assistance	21,594	Increasing
Monthly average of individuals receiving medical assistance	9,047	Increasing
Monthly average of persons receiving intermediate care	427	Stable
Cases closed	7,303	Increasing

PROGRAM ► SOCIAL SERVICESCost \$2,103,719

◦GOALS

Deliver family and children services to economically deprived children and children who are abused, exploited or neglected. Provide needed social services to unwed mothers, the aged, the blind and the disabled.

◦OBJECTIVES

Keep as many children as possible in their own homes; secure children in facilities outside of their own homes when necessary; work cooperatively with the courts of the State in the process of protecting children; develop and improve standards for facilities for the care of children outside of their own homes; develop an effective referral system for neglected and dependent children on our Indian reservations; strengthen our child care services for the children whose mothers are in training for work, or who are working outside of their own homes; recruit and train volunteers and para-professionals to provide services and care for adults in their own homes; recruit and train personnel to care for children in their own homes; insure that aged and disabled individuals receive medical and social services designed to help them remain in their own homes; encourage advanced study to improve knowledge and skill in implementing a social service program; and arrange research in the areas of weighted caseloads and studies of selected sample cases to determine the quality and quantity of our service program.

◦ACHIEVEMENTS

*Initiated a cooperative agreement with the Bureau of Indian Affairs for the transfer of children on reservations eligible for the aid to dependent children foster care program.

*The high utilization of the day care program by working mothers indicates that this is an effective measure, enabling the mother who might otherwise find it necessary to apply for aid to dependent children to remain in the labor market.

*A program to provide day care services for preschool children of migrant workers was initiated for the summer of 1970.

*Adoptable children have been successfully placed so that there is no backlog of adoptable children awaiting placement.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Adult services (cases handled)	3,049	Increasing
Family and children services (cases handled)	5,868	Increasing
Child welfare services (cases handled)	6,056	Increasing

PROGRAM ► ELIGIBILITY DETERMINATIONCost \$2,575,683

◦GOALS

Provide a state-wide, uniform determination of eligibility for the programs of Old Age Assistance, Aid to Disabled, Aid to Dependent Children, Aid to Needy Blind and Medical Assistance.

◦OBJECTIVES

Provide equal treatment to persons in similar circumstances; expedite service to provide assistance as rapidly as possible; and assist county welfare departments and make eligibility determination information available to them.

°ACHIEVEMENTS

*A simplified method of eligibility determination was pretested and is now in use to provide recipients with a more rapid and expeditious method of payment.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Applications processed:		
Old age assistance	1,440	Stable
Aid to dependant children	5,040	Sharply Increasing
Aid to needy blind	84	Stable
Aid to disabled	2,332	Increasing
Medical assistance only	10,708	Increasing

PROGRAM ► VISUAL SERVICES.....Cost \$398,371

°GOALS

Economically provide effective rehabilitation and other services to individuals who have lost or are losing part or total vision, in order to restore them to independent living.

°OBJECTIVES

Provide services, including diagnostic care, physical restoration, training, maintenance, placement and placement follow-up. Provide glasses, artificial eyes, special lenses and other equipment needed to improve an individual's well-being.

°ACHIEVEMENTS

*The Visual Services program expanded greatly. New district offices have been opened so that blind persons in all areas of the State can receive services more quickly from counselors near their homes. The program today is serving more individuals than at any other time in its history.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cases rehabilitated and closed	69	Increasing
Clients served	548	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	PHYSICAL REHABILITATION	4
ADMINISTERING AGENCY	▶	DIVISION OF VOCATIONAL REHABILITATION	0402
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide vocational services to handicapped individuals in Montana so that they may prepare for gainful occupations commensurate with their maximum overall potential.</i></p> <p><i>Accurately adjudicate and expedite Montana applications for disability benefits in accordance with the provisions of Federal Social Security Disability Laws.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Vocational Rehabilitation		\$1,657,057
01	Disability Determination		162,179
▶	TOTAL		<u>\$1,819,236</u>

OVERVIEW

There has been significant growth and changes in the Division's program during the fiscal year as a result of new projects and the opening of two district offices. As a result of the increased activities, cases processed through the Division increased 24 per cent. Also, rehabilitations increased 15 per cent as a result of a broader, more comprehensive program.

Although the program has grown tremendously during the past year, we are still not reaching anywhere near the total number of handicapped. To serve more handicapped persons, it will be necessary for this Division to increase its staff within the next two-year period.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$458,513) should be appropriated to hire eight general counselors, two district supervisors, three district medical consultants, a staff development officer a supervisor of field services, and necessary support personnel.*

ooo Additional staff is required for the Division to adequately provide services needed by its clients. It is estimated that there are 29,000 Montanans in need of Vocational Rehabilitation. Presently, the Division is only reaching 5,000. This agency has traditionally ranked among the state programs in the nation with one of the highest client-counselor ratios—250 clients per counselor. The national average is 150 clients per counselor.

2. Additional funds should be appropriated to provide two examiners and two stenographers to adequately service disability applicants.

◦◦◦ The Bureau of Disability Insurance, Social Security Administration, has shifted the responsibility for all development of medical factors from their district offices to the State Disability Determination Units. The transition is complete in some states and is imminent for Montana within the year. The present staff cannot absorb the additional load and continue to keep processing time within reasonable limits.

ANALYSIS OF PROGRAMS

PROGRAM ► VOCATIONAL REHABILITATION Cost \$1,657,057

◦GOALS

Provide Vocational Rehabilitation services to handicapped Montana citizens who are eligible and in need of such services.

◦OBJECTIVES

Reach more handicapped Montanans by increasing our caseload to 6,600 in 1971, 8,600 in 1972 and 9,200 in 1973.

Make the necessary additions to the staff to maintain and improve the present client-counselor ratio which will enable us to extend the necessary services to those in need of rehabilitation.

◦ACHIEVEMENTS

*Industrially Injured Workmen. During the fiscal year, 264 clients were referred by the Industrial Accident Board. There are 244 accepted clients in some type of Vocational Rehabilitation service, and 48 clients were closed as being successfully employed.

*Social Security Disability Beneficiaries. During the fiscal year, we had 548 clients receiving Social Security Disability Insurance benefits, of whom 302 are trust fund cases. This agency closed 64 of these clients as being successfully employed, of whom 53 were helped by use of trust funds. Clients closed as successfully employed increased by over one-third, as have all areas of service.

*Public Offenders—Montana State Prison. The current caseload consists of 125 clients, of whom 75 have actually received services during the year and 7 clients were rehabilitated and placed on jobs in the community.

*Juvenile Offenders at Swan River and Pine Hills. Rehabilitation services were provided to 66 residents, with 23 being released to additional training plans and 17 released to direct job placement.

*Mentally Retarded at Boulder River School. Rehabilitation services were provided to 81 residents. In addition, 15 clients were graduated from the rehabilitation program, placed on jobs in the community, and are living independently of the institution.

*Mentally Retarded High School Students in Work-Study Programs. Six new programs were started this fiscal year, for a total of 18 of these programs around the state, providing service to 270 special education students.

*Multi-Disability Groups at the Butte and Helena Sheltered Workshops. The workshops are now providing invaluable service to the Vocational Rehabilitation counselors and to their handicapped clients.

*Warm Springs State Hospital Residents. During the year, 86 clients from Warm Springs received Vocational Rehabilitation services with 14 being released and successfully placed on jobs in the community.

*Alcoholics at Halfway Houses in Helena and Great Falls. In an effort to extend our services to this target group, this Division assisted in the support of these two halfway houses on a purchase-of-services basis. It has been conservatively estimated that we are reaching 10 per cent of the alcoholics in the State. During the fiscal year, these houses have provided service to 109 clients.

*Deaf and Hard of Hearing—Speech Impaired. During the fiscal year, the Division: paid the tuition and fees for 32 students to attend the University of Montana Summer Residential Program, sponsored by the Speech and Hearing Clinic; financially participated in the renovation and equipping of a mobile speech and hearing clinic to be used for diagnostic work in the more remote areas of the State; and participated in the purchase of equipment for the Speech and Hearing Clinic located on campus at the University of Montana.

*Cooperative Efforts With Other Manpower Programs. This Division, in an attempt to coordinate our activities with other manpower-related programs, has established cooperative efforts with the Manpower Development Training Act (MDTA), Work Incentive Program (WIN), and the Concentrated Employment Program (CEP).

*Other Disabilities. During the fiscal year, the agency: provided cardiac catheterization and surgery for eleven individuals; purchased six of the eleven kidney dialysis machines in the State, and provided one kidney transplant.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cases on hand July 1	3,568	Increasing
New referrals	3,457	Increasing
Accepted for service	1,591	Increasing
New services provided	1,304	Increasing
Total services received	2,470	Increasing
Rehabilitated as employed	824	Increasing
Cases closed - other reasons	161	Increasing
Cases processed	7,003	Increasing
Training provided:		
College	879	Increasing
Business college	111	Decreasing
Trade school	205	Increasing
On-the-job	201	Increasing
Other	80	Decreasing
Total	1,476	Increasing
Physical restoration provided		
Corrective surgery	143	Increasing
Hospitalization	120	Increasing
Prosthetic appliances	429	Increasing
Therapy and treatment	302	Increasing
Total	994	Increasing

PROGRAM ► DISABILITY DETERMINATION Cost \$162,179

◦GOALS

Equitably evaluate and make decisions on applications for Social Security Disability Benefits for residents of Montana.

◦OBJECTIVES

To be assured that all medical and vocational aspects of the application are explored before a decision is made and to reach that decision in the least amount of time possible.

◦ACHIEVEMENTS

*During the fiscal year, 3,634 decisions were written, with 6.7 per cent (244) returned for more complete analysis. The overall median processing time amounted to twenty-nine days.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Disabled worker applications	1,958	Increasing
Childhood disability applications	114	Decreasing
Reconsideration requests	415	Increasing
Continuing disability investigations	642	Increasing
Disabled widow applications	119	Decreasing
Special insured applications	81	Decreasing
Cases returned for further consideration all categories	244	Increasing
All other (out-of-state, Bureau of Hearings and Appeals of the Social Security Administration)	61	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE, AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	SOCIAL REHABILITATION AND ADMINISTRATION	5,8
ADMINISTERING AGENCY	▶	DEPARTMENT OF INSTITUTIONS	1390
Administering Agency's PRINCIPAL GOAL(S)	Coordinate all rehabilitative programs of State institutions; provide guidance in the organization and management of institutions; and assure that available resources are utilized to efficiently provide maximum services to the people of Montana.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Board of Institutions		\$ 5,893
01	Department Operations		116,641
02	Reimbursement		67,673
03	Aftercare		193,548
▶	TOTAL		<u><u>\$383,755</u></u>

OVERVIEW

During the fiscal year we have continued to coordinate, update and streamline the services provided to the citizens of Montana by the institutions under the jurisdiction of the Department of Institutions. We will continue to research and revise our services to meet the needs of the people in the most economical manner possible. For us to continue improving our services, it will be necessary for the Legislature to consider certain statute revisions and provide additional appropriations.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$119,915) should be appropriated to increase the utilization of Galen State Hospital as a rehabilitative center.*

ooo This program is designed to care for those persons who have a physical problem which could be benefited by prolonged intensive physio-therapy and who do not have insurance which will cover this type of care and who are not eligible for presently existing, publicly supported programs such as Medicare and Medicaid. The program would not expand the hospital unit.

2. The State of Montana should adopt the Interstate Compact on Mental Retardation.

ooo The primary intention of the compact is that services should be provided to those who need them, disregarding residency or state citizenship. The compact further specifies procedures whereby patients can be transferred from state to state to be with or nearby responsible parents or relatives. Boulder River Hospital now has approximately one hundred patients whose parents no longer reside in Montana. Our state would benefit in those cases in which we are able to transfer patients out.

3. Designate the Superintendent of the Boulder River School and Hospital as the Mental Retardation Authority in Montana.

ooo We propose that such a designation be given the Superintendent of the Boulder River School and Hospital for the Mentally Retarded, because federal legislation requires the designation of some state person as the one responsible for carrying out the provisions of federal acts, relative to the treatment of the mentally retarded.

4. Enabling legislation should be enacted which would provide the offering of financial assistance by the State of Montana to community organizations on a matching basis for the purchase of services locally for the families of mentally retarded and the retarded themselves.

ooo In many cases, if local services were available, it would not be necessary to institutionalize these children and would result in considerable savings for the State. If such legislation were enacted, the Department of Institutions would develop a statewide plan to implement the program.

5. Amend Section 80-2301, R.C.M. 1947, which describes the function of the Boulder River School and Hospital to specify that medical treatment may be administered to the residents of that institution.

ooo The Clinical Director is apprehensive as to the authority of the school to administer medical treatment because in many instances it is impossible to get the written consent of the parents for emergency care, this amendment would clarify their authority in the medical field.

6. Additional funds be appropriated to acquire special risks liability insurance (limited to civil actions) brought against Montana State Prison employees.

ooo In the past several years, there have been a number of legal actions brought against our State Prison employees. Defense costs have been paid from that institution's budget.

7. The present PKU law should be expanded to cover testing for a great many conditions which may lead to or indicate the possibility of mental retardation in newborn children and may provide for early recognition and treatment of conditions which may be treatable.

ooo With the authorization of this test spectrum it is possible to reduce the number of retardation cases. This would have a long range impact on the population in our institutions by reducing the number of patients requiring institutionalization.

8. Legislation should be enacted to provide that persons, under the supervision of the Aftercare Division of the Department of Institutions, be subject to per diem charges.

ooo Aftercare services are an extension of institutional services and as such should be reimbursable, where possible, to the Department of Institutions. All monies collected would be deposited into the General Fund.

9. Legislation should be enacted to make it unlawful to bring alcohol or liquor and other contraband on institutional grounds in order to furnish, or attempt to furnish, a resident with such items.

ooo Such a law is needed to safeguard and maintain control over institution residents.

10. Additional funds should be appropriated to employ a reimbursement officer to be located in Butte.

ooo The additional employee is required to more adequately cover one of the major population centers in the State. This person should produce a minimum revenue to the General Fund of \$105,000 during the first biennium of operation.

11. Additional funds should be appropriated to provide one-half time clerk position in the Helena office.

ooo This position is needed to keep up with the increased paper workload due to the Federal Medicare and Medicaid programs, and to support the Reimbursement Officer to be stationed in Butte.

12. Additional funds (\$60,986) should be appropriated to employ four aftercare counselors and a part-time secretary.

ooo More aftercare counselors are needed. Such counselors assist youth in making a satisfactory adjustment to the community through the use of individual, group and activity counseling, both with the youth and his family. This program develops meaningful dividends to the State as well as a significant existence to the individual.

13. Additional funds (\$5,000) should be appropriated as individual living funds to assist youth in remaining in community programs thus minimizing the possibility of their return to State institutions.

ooo Individual living funds are used to assist individuals to leave the institution to obtain vocational training and employment. Thirty-five youth have been involved in this program during fiscal 1970 at an average program cost of \$248. The average cost of keeping a youth in an institution is approximately \$6,000 annually.

14. Additional funds (\$96,000) should be appropriated to develop the present 30 foster home network to 60.

ooo Foster homes provide a very effective means of rehabilitation. Long periods of institutional care are not conducive to effective rehabilitation and, in addition, too many cases handled in this manner become institutionalized and evolve into permanent burdens on society. Daily operational cost for a foster home is approximately \$4.43, whereas, institutional care is approximately \$16.00.

ANALYSIS OF PROGRAMS

PROGRAM ► BOARD OF INSTITUTIONS..... Cost \$ 5,893

°GOALS

Assure that the institutions under its jurisdiction provide the best possible care and treatment for those who are institutionalized at the most economical cost and, when possible, return the client to the community as a taxpaying citizen.

°OBJECTIVES

Develop policies; assist in providing adequate finances to support Institution programs; evaluate regularly the services provided and their continued needs; supervise the expenditure of appropriated funds; keep informed about philosophy and standard of suitable institutional services; establish channels of communication between the Board and the Administration; represent the Department in the community and bring to the agency the concerns and unmet needs of the community; and engage in action on broad social issues and problems affecting those actual and potential members of its institutions' population.

°ACHIEVEMENTS

*Further centralized management under one department making it possible to develop certain techniques with respect to personnel controls, objective cost controls and controls based upon evaluation of service and care.

*In compliance with recommendations of the Legislative Auditor concerning contracts for part-time professional personnel, the Board established the necessary guidelines.

*Granted authority to the Superintendent of the Boulder River School and Hospital to proceed with a program of using conscientious objectors who have a service obligation to supplement the current authorized staff at the institution.

*Adopted standardized medical by-laws, for the governing body in control of health facilities in institutions, that comply with Federal Medicare Certification.

*Approved that the patient funds at the Warm Springs State Hospital be deposited in individual savings accounts. Directed that guidelines be established for the uniform handling of patient accounts at other institutions.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► DEPARTMENT OPERATIONS..... Cost \$116,641

°GOALS

Coordinate all rehabilitation processes in public institutions assigned to the Department; provide needed services in the area of administration, fiscal, personnel and dietary activities; provide guidance in the organization and management of institutions; and assure that available resources are so utilized as to provide maximum services in the most efficient manner.

°OBJECTIVES

Formulate and implement uniform policies and procedures in the organization and management of Montana's institutions, establish and maintain efficient and effective working relationship with employees; provide expertise in the areas of quantity food purchasing, menu planning, sanitation and personnel utilization; provide guidance and controls in fiscal procedures through utilization of modern fiscal and accounting techniques; inform and educate the public, legislators and interested service groups as to the needs and accomplishments of Montana's institutions; and act as liaison between institutions and the executive branch of government.

°ACHIEVEMENTS

- *Settled contracts with twenty-three bargaining units.
- *Revised and updated our compensation plan bringing it into compliance with legislative direction.
- *Developed job specifications to provide uniformity in hiring practices, consistency in education and experience requirements; and developed a basic guide for duties and qualifications in the various positions utilized in our institutions.
- *Developed and implemented a system of position control.
- *Standardized employee benefits throughout the institutions. This project is 80% complete.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average daily population in State institutions	3,403	Decreasing

PROGRAM ► REIMBURSEMENT..... Cost \$ 67,673

°GOALS

Thoroughly investigate all sources of entitlements that are available to the patient such as Medicare, insurance, trust estates, private income, Social Security, veterans benefits, etc. in order to return to the State General Fund the maximum amount of revenue.

°OBJECTIVES

- Give financial counseling to families of all institutionalized patients.
- Search out all sources of possible revenue and forms of federal entitlements for the benefit of the patients and to insure the highest degree of uniform compliance with applicable statutes.

°ACHIEVEMENTS

*Total revenue produced during this year and deposited into the General Fund was \$1,037,035. (Because of a Federal Government action decreeing that it would no longer be responsible for reservation Indian patients within our system, there was a net loss of revenue this year of \$400,073.)

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Total collections	\$1,037,035	Increasing

PROGRAM ► AFTERCARE..... Cost \$193,548

◦GOALS

Reduce, as far as possible, the recidivism rate of the juvenile delinquency institutions. Provide maximum after care placement for dependent and neglected children, and the mentally retarded rather than have such individuals return to or remain in an institution.

◦OBJECTIVES

Supervise, counsel and make living arrangements for individuals released from State juvenile institutions and Boulder River School and Hospital.

◦ACHIEVEMENTS

*A typical rate of recidivism five years ago was between 50 and 60 per cent. The present recidivism rate is 14.3 per cent. The national average for violators is 32 per cent.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Per cent of violators returning to the institutions	14.3	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	➤	PUBLIC HEALTH	1
ADMINISTERING AGENCY	➤	BOARD OF EUGENICS	----
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide a means whereby persons, whose sterilization would benefit themselves and society, may voluntarily consent to sterilization.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ -0-
➤	TOTAL		<u>\$ -0-</u>

OVERVIEW

During the fiscal year the Board initiated a method of achieving its stated goals, and provided a service for the benefit of the people of Montana.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Enabling legislation should be enacted and funds should be appropriated (\$3,334) to provide compensation to Board members for services rendered and to provide needed supplies.*

ooo The services performed by the Board are for the benefit of all Montanans. Presently the members donate their time and absorb all expenses. Board members should be reimbursed at least at the rate of \$ 25.00 per day plus per diem and mileage.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ —0—

◦ GOALS

Provide a means whereby persons, whose sterilization would benefit themselves and society, may voluntarily consent to sterilization.

◦ OBJECTIVES

Determine whether the applicant is capable of understanding and, in fact, does understand the nature and consequences of the sterilization operation requested and grant approvals where considered justified.

Maintain records of all Board meetings and activities.

◦ ACHIEVEMENTS

*Initiated an effective method of determining the ability of an individual to comprehend the consequences of the sterilization operation to which he or she is voluntarily submitting.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cases examined	37	No trend established
Cases approved	34	No trend established
Cases denied	1	No trend established
Cases withdrawn	2	No trend established
Meetings held	5	No trend established

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	▶	BOARD OF PARDONS	0485
Administering Agency's PRINCIPAL GOAL(S)	<p><i>In conformity with State statutes, constitutional provisions and court decisions, provide probation and parole privileges to qualified convicted adult offenders incarcerated in Montana correctional institutions.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$142,625
▶	TOTAL		<u>\$142,625</u>

OVERVIEW

During the fiscal year, the Board of Pardons reviewed and upgraded its policies for granting probation and parole to offenders; strived to improve the services offered to offenders and the public, while improving and streamlining the internal operations of the Board and its staff.

For the Board to maximize its effectiveness it will be necessary to expand the staff of field officers and office consultants to meet the growing caseload of persons eligible for parole and probation.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds should be appropriated to employ eight more full-time field officers.

ooo In January 1970, the Board of Pardons received and has since been utilizing the services of four Department of Institution employees and one employee from the Employment Security Commission. These additional employees were financed from federal funds received through the Governor's Crime Control Commission. The utilization of these employees was a temporary measure to ease a critical manpower shortage.

The additional services has had a very favorable affect on the operations of the Board, and the discontinuance of the resultant services would again create a serious manpower shortage and diminish the program's effectiveness.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$142,625

◦GOALS

Effectively utilize staff members to provide parole and probation of offenders. Assist offenders on probation and parole in their return to the community. Protect society by releasing only those offenders who will not constitute a threat.

◦OBJECTIVES

Properly train parole and probation officers to enable them to provide the most effective services to offenders and society.

Develop positions for two adult female probation and parole officers to supervise and carry caseloads of female offenders.

Properly inform and familiarize the public with the programs and objectives of adult probation and parole.

◦ACHIEVEMENTS

*As a result of temporary personnel increases, the caseload of individual probation and parole officers was reduced from 94.5 to 70.8. This decrease enables the officers to give more effective attention to individual cases.

*Requested and received a grant from the Governor's Crime Control Commission which was used to increase communications among the eight district offices and to send probation and parole officers to a school sponsored by the Montana Law Enforcement Academy. Participants in the school felt that it was definitely helpful to the performance of their duties.

*Improved the chain of command from line personnel, through staff and director's systematic inspection and evaluation of district parole violation work.

*Established District 12 (redistricts).

*Reviewed our probation and parole rules to provide a workable contract that would offer guides for successful adjustment rather than a series of punitive restrictions.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average daily cost to the State of individual on parole or probation	\$ 0.54	Decreasing
Caseload for Board of Pardons	675	Increasing
Caseload for Field Officers	8,682	Increasing
Cases paroled	307	Increasing
Cases discharged, final	94	Increasing
Cases discharged from supervision	48	Increasing
Cases restored	1	Varying
Cases commuted	2	Varying
Cases pardoned	12	Varying
Reports from field officers	3,282	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	TREATMENT AND DOMICILIARY CARE	8
ADMINISTERING AGENCY	▶	CENTER FOR THE AGED	1388
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide a homelike residence for eligible elderly men and women.</i></p> <p><i>Provide a program with primary concern for the individual in the areas of need for integrity; self esteem; worthiness and dignity; medical and nursing care; and protection and guidance.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 46,447
01	Care and Custody		184,944
02	General Services and Physical Plant		44,325
▶	TOTAL		<u>\$275,716</u>

OVERVIEW

We have, by the addition of a recreation aide to the staff and the addition of patient care equipment, come closer to attaining maximum potential for each resident—physically, socially and spiritually. The addition of a business manager has increased the efficiency and productivity of the administrative program.

The provision of a consulting dietician, supervising all of the institution's food programs, will continue to promote adequate and more economical food service.

Equipment replacement and repair to building, and grounds maintenance and improvements were accomplished, but must be projected continuously to maintain proper value to the original investment, with strong focus on replacement of the 20 year old plant parts (roof, etc.), equipment, and some changes to meet safety requirements.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$2,400) should be appropriated annually to employ a part-time pharmacist.*

◦◦◦ The employment of a pharmacist would facilitate the drug requirements of the center and simultaneously improve drug control.

2. Additional funds (\$11,571) should be appropriated annually to employ 1.4 nurses' aides.

ooo Presently, only one registered nurse and one attendant are on duty to care for 145 patients during the night hours. Additional staff would make possible more satisfactory nursing care and supervision.

3. Additional funds (\$5,540) should be appropriated annually to employ a part-time recreation and activity supervisor.

ooo This action would provide needed assistance to community volunteer workers seven days a week.

4. Additional funds (\$7,000) should be appropriated to replace deteriorated hot water tanks.

ooo The remaining life span of the present hot water equipment is very short. Future maintenance of these items will be costly if not impossible.

5. Additional funds (\$10,000) should be appropriated to install a smoke detection system in the building of the center.

ooo The State Fire Marshal has requested that a smoke detection system be installed to enhance fire safety.

6. Additional funds (\$36,000) should be appropriated to provide re-roofing of the main building.

ooo The present roof is 20 years old and costly maintenance problems are anticipated.

7. Additional funds (\$51,000) should be appropriated to construct a warehouse shop.

ooo This shop would reduce fire hazards to the main building and would serve as a combination workshop and storage area.

8. Additional funds (\$19,800) should be appropriated to blacktop areas around the center.

ooo Blacktopping would correct drainage problems and reduce building floor maintenance.

9. Additional funds (\$1,329,000) should be appropriated to build additional patient facilities which would house 90 elderly people.

ooo The additional facilities were in the original building plans for the Center and are now needed to meet the increasing demands placed on this agency's programs.

10. Additional funds (\$1,410) should be appropriated to purchase new office equipment.

ooo The new equipment would increase efficiency in the administration operation, which is needed to effectively absorb the increasing workload.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$ 46,447

◦GOALS

Provide for the effective administration of the Center’s programs.

◦OBJECTIVES

Attain maximum efficiency in our operations that we might better meet the growing demands of all programs.

◦ACHIEVEMENTS

- *Many residents have been enrolled under Social Security and Medicare which has financially benefited both the residents and the State.
- *Personnel records and all other business records have been improved, resulting in ready access to needed information.

PERFORMANCE INDICATORS

No performance indicators submitted by the agency for this program.

PROGRAM ► CARE AND CUSTODY Cost \$184,944

◦GOALS

Provide proper care and maintenance for the residents living at the Center.

◦OBJECTIVES

Provide for the resident the best possible medical and nursing care; protection and guidance; and rehabilitation. Continually strive to meet all licensing standards as established by the State Department of Health.

◦ACHIEVEMENTS

- *The purchase of basic laboratory equipment has made it possible to give closer attention to health problems of patients.
- *The addition of hospital equipment has provided rehabilitative measures not previously available.
- *The service of a dietician has provided adequate and more economical food service.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of residents	145	Stable

PROGRAM ► GENERAL SERVICES AND PHYSICAL Cost \$ 44,325

◦GOALS

Provide maintenance and improvement of the building, equipment and land.

◦OBJECTIVES

Proper maintenance of the building, land and equipment, by replacement, repair and addition of equipment required to meet standards of fire and health protection, and operational efficiency.

◦ACHIEVEMENTS

*Repair and replacement projects were performed which aided in maintaining property value and efficiency of operation.

PERFORMANCE INDICATORS

No performance indicators submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	5
MAJOR PROGRAM AREA	➤	TREATMENT AND DOMICILARY CARE	6
ADMINISTERING AGENCY	➤	GALEN STATE HOSPITAL	1386
Administering Agency's PRINCIPAL GOAL(S)	Provide effective care, treatment and rehabilitation to patients with chest diseases, particularly tuberculosis and silicosis, the mentally retarded, the aged and alcoholics.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 108,065
01	Care and Treatment		685,579
02	General Services and Physical Plant		917,206
➤	TOTAL		<u>\$1,710,850</u>

OVERVIEW

The activities during the fiscal year progressed in the usual manner, with the patient load remaining about the same except for the number of chest disease patients which declined slightly. Although our primary responsibility is to patients suffering from tuberculosis and silicosis, as resources permit, we provide care and treatment to patients with other chronic respiratory diseases, the mentally retarded, the aged and, beginning this year, alcoholics. The Alcoholism Services Center was transferred from Warm Springs State Hospital in July 1969.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$127,000) should be appropriated to hire additional personnel, purchase equipment and remodel existing physiotherapy facilities.*

ooo Many individuals throughout the State now suffer from diseases such as rheumatoid arthritis, multiple sclerosis and cerebral vascular accidents. These people would greatly benefit by a concentrated physical therapeutic program.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$108,065

◦GOALS

Effectively utilize all personnel and financial resources in an effort to return patients to society as soon as possible.

◦OBJECTIVES

Coordinate the activities of all programs and provide effective administration of day-to-day operations including proper fiscal control, personnel management and general supervision of the Hospital.

◦ACHIEVEMENTS

*Implemented the Alcoholism Service Center in cooperation with Warm Springs State Hospital.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► CARE AND TREATMENT..... Cost \$685,579

◦GOALS

Provide the necessary care and medical treatment to restore patient health as quickly as possible.

◦OBJECTIVES

Effectively administer all medical treatment, provide comfortable pleasant patient care and continually emphasize patient rehabilitation.

◦ACHIEVEMENTS

*Average Hospital confinement reduced for chest disease patients.

*Mentally retarded patients, mostly profound types, were provided the best of care with emphasis on keeping as many ambulatory as possible.

*Patients were provided the most up-to-date medicines available.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cost per patient day:		
Chest diseases	\$28.28	Increasing
Mentally retarded	\$ 4.97	Increasing
Aged	\$ 5.65	Increasing
Bed units for the mentally retarded	95	Stable
Bed units for the aged	75	Stable

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT Cost \$917,206

◦GOALS

Provide effective overall management of: food service; laundry facilities; heat and power; property; and the Alcoholism Services Center.

◦OBJECTIVES

Effectively utilize existing facilities by providing a continuing maintenance program, proper inventory control and efficient use of staff members.

Provide well balanced, nutritious meals for the patients.

◦ACHIEVEMENTS

*Coordinated the rehabilitation program for alcoholics with existing programs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Alcoholism cost per patient day	\$1.31	Increasing
Patients in the Alcoholism Services Center	50	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION		HEALTH, SOCIAL ASSISTANCE, AND REHABILITATION	4
MAJOR PROGRAM AREA		TREATMENT AND DOMICILARY CARE	6
ADMINISTERING AGENCY		MONTANA VETERANS' HOME	1387
Administering Agency's PRINCIPAL GOAL(S)	Provide a suitable retirement home and care for qualified veterans of the Armed Services and qualified wives and widows of veterans who are unable to provide for their own livelihood.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 26,925
01	Care and Services		178,850
	TOTAL		<u>\$205,775</u>

OVERVIEW

During the fiscal year, emphasis was placed on providing a comfortable home and care to the residents of the Home. We have made and will continue to make an effort to involve the community with the Home and the residents with the community to bring about a sense of unity between the two.

Construction of the new residence facility has been completed. We must still, however, continue to expand and improve our facilities to meet the needs of Montana's veterans.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$15,750) should be appropriated to renovate and improve certain facilities and grounds of the Home.*

ooo A plumbing shop and a water line replacement are needed to insure the adequacy of the Home's water supply. The service building needs to be renovated, a retaining wall built and a greenhouse erected to provide suitable and productive recreational facilities for residents. A self-propelled power trencher is needed to maintain the grounds surrounding the Home.

2. *Additional funds should be appropriated to expand and update fire protection facilities of the entire Home.*

ooo Presently, only our new facility has what we consider to be adequate fire protection devices.

3. Additional funds should be appropriated to install air-conditioning in the kitchen.

ooo Air circulation is inadequate in the kitchen. Two employees have been overcome by heat. These incidents were classified as industrial accidents.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATIONCost \$ 26,925

o GOALS

Insure that the Home is operated in an efficient, economical manner with primary emphasis placed on the welfare of the residents. Provide effective administrative and fiscal controls.

o OBJECTIVES

Coordinate all programs; provide responsible and accurate correspondence and applications; admit qualified members; maintain files and records; record passes, furloughs, etc.; maintain the switchboard, communications, reports, inventory, Federal records, State records, budgets, etc.; and supply the public with information on the Veterans' Home.

o ACHIEVEMENTS

*Communication with the general public has been improved. Two thousand pictorial brochures covering the history and future of the Montana Veterans' Home have been prepared by the State VFW for limited distribution to various veterans' organizations.

PERFORMANCE INDICATORS

No performance indicators were submitted by the Agency for this program.

PROGRAM ► CARE AND SERVICESCost \$ 178,850

o GOALS

Provide meals, laundry and facility maintenance to make the Home as comfortable and effective as practicable.

o OBJECTIVES

Provide nourishing and attractive food, weekly laundry service, and bi-weekly medical attention when required; provide recreation, crafts and hobbies; furnish transportation for short trips and sight-seeing tours; keep the property and equipment of the Home in good repair and allow for the best possible life expectancy of all materials and property under its jurisdiction; and beautify and improve the facility wherever possible.

o ACHIEVEMENTS

- *The greatest achievement in many years was the completion of a new facility which comfortably houses fifty-nine domiciliary residents.
- *Established an attractive and useful library which provides talking records for members with poor eyesight.
- *Acquired a thirty-six passenger bus which provided comfortable transportation for residents.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Patient days	24,172	Increasing
Average daily cost per patient	\$ 8.06	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE, AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	MENTAL HEALTH	2
ADMINISTERING AGENCY	▶	BOULDER RIVER SCHOOL AND HOSPITAL	1389
Administering Agency's PRINCIPAL GOAL(S)	Provide care, education and training as required to return retarded persons to normal community living.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 148,298
01	General Services and Physical Plant		1,019,375
02	Clinical Services		377,836
03	Nursing Services		997,501
04	Education and Training		473,613
▶	TOTAL		<u>\$ 3,016,623</u>

OVERVIEW

This year has seen a change of management of the School and Hospital resulting in the creation of an organization based on the programmatic contribution of divisions of operation. This structure is more descriptive of the assigned function of the agency and permits more detailed reporting.

To achieve our goals we feel that the population of the School and Hospital should be reduced to a manageable level by providing necessary services to the retarded within each community. The State's \$13,000,000 investment in the School and Hospital should be protected by developing the school into a more effective treatment oriented institution.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Legislation should be enacted to provide a single code of laws to cover the needs of the 21,000 Montana citizens who will be considered mentally retarded at some time during their lives.*

ooo The Special Education law should apply not only to the child who is educable but also to the trainable child. Eighty-five per cent of all retarded people never need to be institutionalized. Means should be provided to keep these people with their families, in the community. Not only would this create a more humane treatment for the retarded but it would also be less costly to the State.

2. *Additional funds should be appropriated to bring the hospital building and service areas up to licensing standards.*

ooo The hospital presently has thirty exceptions attached to its license.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 148,298

°GOALS

Effective coordination and management of all programs and resources of the School and Hospital for the benefit of the resident population.

°OBJECTIVES

Efficiently expend legislative appropriations and other income resources to the best advantage of the retarded people of the State; maintain, in the highest level possible, those services in support of the various clinical programs of the School and Hospital; provide an environment conducive to the habitation of the resident population; and protect the capital investment in the facilities of the Boulder River School and Hospital.

°ACHIEVEMENTS

*Managerial changes, decentralizing the School and Hospital's operation into four divisions, were made. These changes will enhance the achievement of our goals.

*Inventory control and other business procedures have been instituted pursuant to recommendations of the Legislative Auditor.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average daily patient population	876	Decreasing
Patient admissions	140	Decreasing
Patients placed in after care	151	Increasing
Average daily personnel	499	Increasing
Employee turnover rate (per cent)	60	Decreasing
Personnel applications and terminations processed	1,800	Decreasing

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT.....Cost \$ 1,019,375

°GOALS

Achieve the maximum use of the resources available to the School.

°OBJECTIVES

Provide for the efficient and effective use of all facilities; continually maintain facilities and grounds; maintain proper inventory control; provide efficient food purchasing; and serve nutritious, well balanced meals.

°ACHIEVEMENTS

*Facility changes have begun with the construction of facilities housing 152 beds to replace the antiquated facilities on the North Campus.

*The quality of meals served was substantially improved.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Meals served	898,128	Stable

PROGRAM ► CLINICAL SERVICES.....Cost \$ 377,836

◦GOALS

Provide a program of service that will prevent the occurrence of illness among patients; cure patients who do become ill; permit the retarded person to fully participate in other programs; effectively diagnosis and evaluate retarded persons; and ultimately eliminate mental retardation.

◦OBJECTIVES

Maintain the general health of the resident population; perform surgical procedures that will alleviate physically handicapping conditions; prescribe medications, therapy, orthopedic and other prosthetic appliances when needed; conduct definitive laboratory tests; provide research that will lead to valid diagnosis and better techniques of treating retardation; and provide psychological and social services.

◦ACHIEVEMENTS

*Psychology and Social Services now reflect the geographic units with Social Service coordinating with the Division of Aftercare of the Department of Institutions.

*Medical records have been maintained for the first time. All residents are being issued a social security number for further identification.

*Pathologists have been retained to enhance the research program, strengthen laboratory procedures and to move closer to accreditation.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Surgeries performed	91	Decreasing
Dental visits	494	Decreasing
Physical therapy treatments	15,813	Increasing
Electroencephalograms	200	Increasing
Prescriptions filled	31,408	Increasing
Laboratory tests performed	14,850	Increasing

PROGRAM ► NURSING SERVICES.....Cost \$997,501

◦GOALS

Teach self-care skills and habits, communication skills, ambulation, and socialization to aid the retarded person in daily living.

◦OBJECTIVES

Create an environment in which each resident is happy and retains his or her human dignity; develop a unit system of management to meet each resident's special needs; achieve an established ratio of nursing personnel to residents; achieve a specialized level of competence among nursing personnel; and efficiently utilize nursing facilities.

◦ACHIEVEMENTS

*Nursing Service has been created as a combination of old Cottage Life and Hospital Services, and it has created a system of units of management which enhance specialized care.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average daily nursing staff	195	Increasing
Nurse-patient ratio	1:4.49	Decreasing

PROGRAM ► EDUCATION AND TRAINING.....Cost \$ 473,613

◦GOALS

Provide a broad spectrum of educational and training activities, not offered by local communities, to keep the retarded individual abreast educationally and to meet the future vocational needs of the person.

◦OBJECTIVES

Provide education and training activities to meet the individual needs of each resident in the areas of: academic school; pre-school; vocational training; speech, and hearing; the program for the blind; recreation; and religion. Provide in-service training to employees.

◦ACHIEVEMENTS

*Implemented more individualized instruction

*A more comprehensive program extending services to patients over 16 is being initiated.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Residents in school	325	Decreasing
Residents in speech program	301	Stable
Residents in recreation program	850	Decreasing
Residents in industrial therapy	280	Decreasing sharply
Educational employees	33	Stable
Residential hour participation:		
School	36,075	Decreasing
Speech	60,025	Stable
Recreation	125,950	Decreasing
Industrial therapy	548,800	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	MENTAL HEALTH	2
ADMINISTERING AGENCY	▶	EASTMONT TRAINING CENTER	1392
Administering Agency's PRINCIPAL GOAL(S)	Operate a program for moderately and mildly retarded children between the ages of six and seventeen that will allow them to retain family ties and prepare them to return to the community as active, participating members of society.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 31,373
01	Care and Custody		60,856
02	General Services and Physical Plant		11,021
03	Education and Rehabilitation		34,618
▶	TOTAL		<u>\$137,868</u>

OVERVIEW

This was the first year of operation for the Center, and the successful completion of a winter and summer term was accomplished. The facility is a new concept in the treatment of mentally retarded children and operates a 5-day week residential program with the children returning home on weekends to continue family ties. The major accomplishment of the Center is the successful year's operation, although certain problems have arisen. The major problems are the need for more adequate services, transportation, tuition, adequate employee salaries and more employees. The Center has established rapport within the communities with service groups and agencies on all levels and has now developed a waiting list for children who require services. This brings to light the need to: expand the Center to include two more cottages; expand and remodel the existing multi-purpose building; build a garage; and install air conditioning to make the facilities adequate for the program.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to enable Eastmont Training Center to act as a Community Mental Retardation Center.*

ooo A major factor in reducing the institutionalization of mentally retarded persons is adequate early screening and direct service programs to the public. Eastmont Training Center offers an excellent training program, but does not have medical, psychological or other diagnostic capabilities, nor the proper staff to provide direct services to the public. Eastmont Training Center, acting as a Comprehensive Commu-

nity Retardation Center, will be able to provide these services and will be able to provide a screening program for Boulder River School and Hospital and an evaluation unit for all other existing Mental Retardation Services in Region V.

2. Legislation should be enacted to provide for the payment of transportation aid to parents of children attending Eastmont Training Center and for the payment of tuition to the Glendive School System for Eastmont students who attend local Special Education Classes.

◦◦◦ The parents of children are solely responsible for the transportation to Eastmont Training Center two days a week. Some families travel as far as 200 miles in this effort, which could cost them forty dollars per month. Not all families can afford these costs and will not enter a child who needs the services.

3. Additional funds should be appropriated to employ an additional teacher's aid, a secretary, a maintenance man and an attendant counselor.

◦◦◦ Additional staff is required to: bring the student-teacher ratio up to the recommended ratio; efficiently handle the administrative workload; provide effective building maintenance; and ensure adequate attendant counselor coverage.

4. Additional funds should be appropriated to provide for salary increases for the Center's personnel.

◦◦◦ A major factor in obtaining the best caliber of employees and retaining them in State service is adequate, competitive pay. Many of the most qualified and competent employees are lost to other states and agencies because of inadequate salary.

5. Additional funds should be appropriated to expand existing facilities by: adding air conditioning to the present buildings; building a garage; adding two more cottages; expanding the multi-purpose building; and remodeling the existing multi-purpose building into administrative offices.

◦◦◦ The Center could expand needed services if facilities could be provided. Presently, the two cottages and the multi-purpose building do not have air conditioning. Temperatures in the summer reach over 100° which makes the buildings unsuitable to conduct training programs. Some of the children have medical problems that could be complicated by being too warm. Air conditioning would also increase the staff's efficiency by providing a more suitable working temperature.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$ 31,373

◦GOALS

Provide effective fiscal management, coordination of programs, day-to-day administration and cooperation with other agencies and the general public.

◦OBJECTIVES

Increase the administration staff's knowledge of fiscal management and administration of the Center's overall program through experience and workshops, and cooperate with other agencies.

Keep the public informed through speeches, news media, workshops and tours.

◦ACHIEVEMENTS

*During the fiscal year the Eastmont Training Center Program was initiated. The Superintendent began operation of the program during July.

*The Center has established a good relationship with the communities and is providing a public education program through speeches, tours, workshops and news media.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► CARE AND CUSTODYCost \$ 60,856

◦GOALS

Provide the best possible care for children in cottage life. Provide training to develop acceptable social and living habits in an effort to make the children more independent.

◦OBJECTIVES

Increase staff knowledge in the field of mental retardation; provide the highest possible level of personal care; effectively utilize behavior modification techniques; provide training in acceptable social and daily living habits by requiring their usage at the Center; and stress safety and independent living skills.

◦ACHIEVEMENTS

*As employees were hired they were sent to Boulder River School and Hospital for one week of training after an initial orientation phase.

*A one week in-service training period was provided by Dawson College.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Children in residence, winter	32	Not established
Day care children, winter	6	Not established
Children in residence, summer	32	Stable
Day care children, summer	9	Increasing

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANTCost \$ 11,021

◦GOALS

Provide an efficient and adequate: diet in food service; inventory controls; and supply of stores equipment and material. Maintain the grounds, buildings and equipment in a superior manner.

◦OBJECTIVES

- Maintain grounds and equipment in an acceptable manner.
- Serve well balanced meals at the lowest possible cost.
- Maintain records of all equipment and supplies to assure that inventory control and economical operation are being accomplished.

◦ACHIEVEMENTS

- *April 19, the formal dedication for the Center was held in Glendive with 32 students in residence.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EDUCATION AND REHABILITATION Cost \$ 34,618

◦GOALS

- Increase each child's ability and knowledge to enable them to interact as productive members of society.

◦OBJECTIVES

- Improve coordination and perception through the use of a gross motor development area.
- Expose the children to social and cultural events.
- Ensure that the children learn and practice academics, physical education-recreation, home living and social awareness skills.
- Utilize volunteers to assist in public education and program execution.
- Maintain records to provide adequate and timely information.
- Make home visits to ensure that student programs are being followed and to provide parental counseling.

◦ACHIEVEMENTS

- *Dawson College has sent eight psychology students to the Center as a part of their class for observation and work experience.
- *The program is accomplishing the goal of continuing the family ties by having the children return home on weekends. The progress of the students indicates that the ultimate goal of having them return to their home in their communities as productive members of society will be accomplished.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	MENTAL HEALTH	2
ADMINISTERING AGENCY	▶	WARM SPRINGS STATE HOSPITAL	1385
Administering Agency's PRINCIPAL GOAL(S)			
	Provide optimum care and treatment of mental illness within the State of Montana.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 295,430
01	Care and Treatment		4,199,550
02	General Services and Physical Plant		605,743
03	Community Mental Health Services		430,144
04	Canteen and Recreation Hall		111,727
05	Alcoholic Treatment		81,558
06	Education of Handicapped Children		9,538
▶	TOTAL		<u>\$5,733,690</u>

OVERVIEW

Notable achievements during the previous year were primarily related to improved patient care and treatment. Although total patient admissions increased, utilization of modern diagnostic and treatment methods at all program levels resulted in a decrease in overall resident patient population. Substantial strides have also been made in the extension and implementation of a state-wide Comprehensive Mental Health program with the State of Montana being divided into five regions utilizing State, local and Federal funding.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to expand the Hospital's consultation services regarding mental illness.*

ooo Other entities dealing with mental illness are requiring more extensive consultation services. Adequate consultation would result in less transfers from other entities to Warm Springs and would reduce the number of problems with which these institutions currently cope. Also, we could better utilize our facilities by providing a more extensive and intensive activity therapy program. Salaries should be increased to place the Hospital in a competitive position to recruit and retain needed personnel.

2. *Additional funds should be appropriated to provide for the improvement and replacement of certain Hospital facilities.*

ooo The Fire Marshal has recommended that the glass in separation and smoke barrier doors be replaced by wire safety glass. Toilet divider partitions should be installed to enhance privacy. Hand

rails and safety hand holds should be installed where necessary to insure patient safety. Transformer vaults should be brought up to present day safety standards. The heat steam boiler is in very bad shape. This building should be connected to the new steam lines from the central heating plant. One ward which is not suited to the intended occupancy should be remodeled to make it more serviceable.

3. Additional funds should be appropriated to extend the services of the Comprehensive Mental Health Centers in all five regions.

◦◦◦ The Mental Hygiene Clinics are minimally staffed and provide outpatient services only. Also, because of distance factors and waiting lists, these services, which are theoretically available to all, are little used by patients living outside the counties where the clinics are located. If comprehensive services were available near the patient's home, help could be obtained without the necessity of possible long-term hospitalization resulting in family separation and increased expense to the State.

4. Additional funds (\$19,400) should be appropriated to employ an additional counselor and a full-time clerk-typist in the Alcoholic Treatment Program.

◦◦◦ Additional employees would permit us to service smaller groups; provide individual counseling; and give more time for follow-up on discharged patients.

5. Additional funds (\$10,000) should be appropriated to upgrade all counselors in the Alcoholic Treatment Program to the social worker level.

◦◦◦ Counselors assume all the duties of a social worker in the treatment program. With the increased demand for people trained in the field of alcoholism such upgrading becomes necessary to retain and obtain qualified personnel.

6. Legislation should be enacted to provide an effective, state-wide merit system.

◦◦◦ Currently, administrators at this Hospital actively negotiate with seven unions representing various crafts or groups of employees. This is time consuming and, to some extent, is not advantageous to the Hospital's operation in that management cannot fully utilize all employees in the best interests of the State. A merit system should standardize salaries and establish uniform job descriptions and requirements for each classification.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost

◦GOALS

Insure proper utilization of resources provided by the State in caring for the patients hospitalized at Warm Springs.

◦OBJECTIVES

Provide effective utilization of resources in the day-to-day operation of the Hospital; maintain accurate and effective fiscal controls; evaluate duties performed by employees and realign duties as necessary to achieve optimum employee output, and provide general supervision and coordination of the Hospital's programs.

◦ACHIEVEMENTS

*Substantial improvements have been effected in property inventory and control. Our record keeping is in compliance with State recommendations and audit requirements. Central warehousing has been implemented to insure receipt and issuance of all supplies.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average number of full-time employees	690.5	Stable
Ratio of average daily population to full-time employees	1.73:1	Decreasing
Annual per capita cost	\$4,333	Unknown
Daily per capita cost	\$11.87	Unknown
Total days patient care provided	435,159	Decreasing

PROGRAM ► CARE AND TREATMENT Cost \$4,199,550

◦GOALS

Provide care and treatment for people who are mentally ill and for geriatric patients. Provide evaluation of mental conditions, upon request, of persons who are involved in criminal or other legal actions.

◦OBJECTIVES

Effectively administer all psychiatric and medical treatment required by a patient; make each patient as comfortable as possible; keep professional employees constantly aware of new developments in the field of mental health; and establish public confidence that Warm Springs provides the very latest in the treatment of mental illnesses.

◦ACHIEVEMENTS

*The Unit System, initiated in fiscal 1967, whereby patients entering the Hospital from any of three geographic areas are treated throughout their Hospital stay by three separate treatment teams, is continuing to be implemented.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of patients in residence as of June 30, 1969:		—
Admissions	1,276	
Discharges	2,792	Increasing
Number of patients in residence as of June 30, 1970:		
	2,869	Increasing
Number of patients in residence as of June 30, 1970:	1,199	Decreasing
Number of patient days' care rendered	435,159	Decreasing
Average daily census	1,191	Decreasing

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT Cost \$ 605,743

◦GOALS

Insure the continuing operation of all facilities and utilities providing needed utilities to all areas of the Hospital to insure the comfort and safety of each patient.

°OBJECTIVES

Effectively utilize all resources as furnished by the State to insure the continuance of all necessary services; anticipate prospective trouble areas and correct them before a situation deteriorates into an emergency; and maintain a continuing program of re-evaluation and re-alignment of maintenance personnel to insure the optimum use of resources in the areas of transportation, utilities, water division, sanitation, maintenance and fire protection.

°ACHIEVEMENTS

•A maintenance warehouse was established to give complete inventory control of all maintenance materials and supplies. As well as safeguarding materials, the warehouse has expedited the assembly of materials for the various jobs and has established the machinery for accurate cost accounting in the future.

•Portions of Warm Springs Creek were rechanneled and cleaned to eliminate flooding caused by ice jams in the winter time.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► COMMUNITY MENTAL HEALTH SERVICES..... Cost \$430,144

°GOALS

Provide effective and economical out-patient mental health services for the benefit of those in need.

°OBJECTIVES

Take cognizance of matters affecting the mental health of Montana's citizens; initiate preventative mental hygiene activities through the division of mental hygiene and in cooperation with local agencies; make scientific and medical research investigation relative to the incidence, cause, prevention and care of mental illnesses; collect and disseminate information relative to mental health; prepare a comprehensive plan for the development of public mental health services in the State; provide, by regulation, for the examination of persons for the purpose of diagnosing and prescribing treatment of mental illness; and utilize Federal government contributions for the development of mental health services within the State.

°ACHIEVEMENTS

•Significant progress has been made toward establishing, expanding and maintaining comprehensive Community Mental Health Centers and Mental Hygiene Clinics in all five Mental Health Regions of the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Patient load as of July 1, 1969	2,316	
Total admissions	2,470	Increasing
Terminations	2,001	Increasing
Patient load as of June 30, 1970	2,785	Increasing
Average cost per annum per patient treated	\$125.62	Not indicated

PROGRAM ► CANTEEN AND RECREATION HALLCost \$111,727**◦GOALS**

Provide a restful and relaxing area in which patients and visitors can be provided snacks, fountain services and other sundry items.

◦OBJECTIVES

Promote the rehabilitation of patients and encourage a feeling that they can return to and be a part of society; and allow patients to make their own purchases using either cash or coupons.

◦ACHIEVEMENTS

*The canteen and the recreation hall are bright and cheerful and tend to improve the disposition of the patients and given them a sense of belonging in a congenial atmosphere. Every effort is being made to instill in the patients the idea they are still part of society.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► ALCOHOLIC TREATMENTCost \$ 81,558**◦GOALS**

Provide treatment for alcoholic patients to return them to society free from the problem of alcoholism.

◦OBJECTIVES

Insure that patients who participate in the program are educated regarding the problems of alcoholism to the extent that subsequent returns for treatment will not be necessary; provide public dissemination of information on alcoholism; and provide needed treatment including medical and individual counseling assistance.

◦ACHIEVEMENTS

*The continual growth in numbers of alcoholic admissions is proving that the educational and public relations work carried on as a part of this program is worthwhile and that the treatment program is recognized as effective.

*The new facilities housing the treatment program at Galen are proving very conducive to treatment.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cases treated	513	Increasing

PROGRAM ► EDUCATION OF HANDICAPPED CHILDRENCost \$ 9,538**◦GOALS**

Assist handicapped children in attaining an education substantially equal to that of normal children.

◦OBJECTIVES

Establish an on-going educational course staffed by competent special education teachers. Effectively utilize text and library books, audio and visual aids, and other training equipment.

◦ACHIEVEMENTS

*No achievements were submitted by the agency for this program.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	▶	MONTANA CHILDREN'S CENTER	1381
Administering Agency's PRINCIPAL GOAL(S)	Make every effort to fulfill the needs of dependent and neglected children who require separation from their families or foster families or for whom foster care cannot be obtained with the ultimate goal of preparing well adjusted children for outside placement.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 40,522
01	Care and Custody		418,974
02	General Services and Physical Plant		112,414
03	Education and Rehabilitation		93,727
▶	TOTAL		<u>\$665,637</u>

OVERVIEW

During the fiscal year emphasis has been placed on treating and rehabilitating resident children as quickly as possible and placing them back into their own communities, foster homes or group homes.

Good institutional standards were maintained under all programs. A merit system, geared toward resident childrens' behavior, was established as an addition to the treatment program. The elementary school was accredited for the first time in 76 years. To meet the demands of the treatment program, serious consideration must be given to remodeling and updating resident cottages.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$184,761) should be appropriated to remodel and update resident cottages.*

ooo The cottages in question are very old and are in dire need of repairs. The present housing is considered to be inadequate to meet the requirements of an individualized treatment program.

2. Legislation should be enacted or administrative policy established to eliminate future admission of youngsters under eleven years of age.

◦◦◦ A group-living environment, as exists at the Center, makes psychological adjustment difficult—particularly for children under eleven years of age. Children under eleven could be better cared for through other State or county sponsored programs. The cost of caring for 14 youngsters in this category at the Center, amounts to \$32,776. If these children were placed in the Aftercare Program, 14 children, each costing \$1,620 annually, would cost only \$22,680.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$ 40,522

◦GOALS

Effectively discharge all administrative duties of the Center and establish workable relations with other State agencies and the public.

◦OBJECTIVES

Insure efficiency in administration through good methods of fiscal and management control. Encourage and cooperate with persons performing a biennial audit of the Center. Provide effective coordination between all programs directed toward aiding the children.

◦ACHIEVEMENTS

*During the 1969-70 fiscal year, further and more in-depth fiscal controls were instituted, particularly in receipt and disbursement within the childrens' accounts.

*A new position, inventory and physical property management clerk, was filled. A completed inventory is now a reality with corresponding cost accounting of all goods received and disbursed.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► CARE AND CUSTODY Cost \$418,974

◦GOALS

Provide support and care for the children in residence at the Center.

Provide individual and group counseling and adequate supervision to more rapidly prepare the resident children for outside placement.

◦OBJECTIVES

Provide the children in residence with those opportunities ordinarily available to children living with their own families, such as: daily care; health care; education; religion; recreation; family; and community contacts.

Counsel each child and, in some cases his parents, beginning with the intake study and continuing through the period of placement to discharge and aftercare.

◦ ACHIEVEMENTS

*A merit system was established at the Center, geared toward all students. The effectiveness of this program has proven itself beyond all expectations in such areas as: attitudes; cooperation; reduction in the numbers of run-aways; and overall compas esprit de corps.

*Because of the increased social service staff and cooperation with the Aftercare Division of the Department of Institutions, our average population decreased. As a result of this decrease, one cottage was closed.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average population	116	Decreasing
The increase in program costs is the result of compliance to an executive order issued February 1, 1969, requesting compliance with the Federal Wage and Hour Act of 1967.		

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT Cost \$112,414

◦GOALS

Effectively maintain the physical plant and provide general services to the Center. Provide the best facilities possible to meet the needs of the children living together in groups.

◦OBJECTIVES

Keep the existing physical plant in good repair and condition by performing normal day to day and other maintenance in areas such as painting, window replacement, up-keep of plumbing, maintenance of the electrical distribution and street lighting systems, keeping the water supply system, sewage lagoon and swimming pool up to prescribed standards.

Meet all standards as prescribed by the State Board of Health, the State Fire Marshal and the State Industrial Accident Board.

◦ACHIEVEMENTS

*A new standby, gas-fired boiler was installed. This will provide the Center with a very adequate heating system for many years.

*A new gas-fired, quick recovery hot water tank was installed, resulting in the elimination of a previous hot water problem, in all but two buildings of the Center.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EDUCATION AND REHABILITATION Cost \$ 93,727

◦GOALS

Provide a program that is conducive to educational growth; to meet the needs of every student, educational, physical and social; and to mold capable citizens and equip them with knowledge and understanding that will aid them in returning to society and adjusting to normal living.

◦OBJECTIVES

Provide education to younger children through the elementary school established at the Center.

Provide guidance and morale support to resident high school students attending school in Twin Bridges.

Provide, to those children who have additional needs, remedial education, social, psychological and psychiatric re-education through group and individual therapy and other necessary methods indicated by individual cases.

◦ACHIEVEMENTS

*The elementary school of the Center was fully accredited by the State Board of Education for the first time in its 76 year history.

*A social worker was assigned to handle problems of the high school students and more time was spent counseling the youngsters during the school day.

*The achievement level of the majority of students participating in the program improved.

PERFORMANCE INCIDATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Students enrolled in elementary school	90	Decreasing
Students enrolled in high school (Twin Bridges)	46	Varies
Student teacher ratio grades 1—5	4.5:1	Varies
Student teacher ratio upper grades	24:1	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	5
MAJOR PROGRAM AREA	➤	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	➤	MOUNTAIN VIEW SCHOOL	1383
Administering Agency's PRINCIPAL GOAL(S)	Provide effective diagnosis, care, training, education, and rehabilitation to delinquent girls between the ages of ten (10) and twenty-one (21) years of age.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 54,310
01	Care and Custody		240,428
02	General Services and Physical Plant		61,029
03	Education and Training		69,841
➤	TOTAL		<u>\$425,606</u>

OVERVIEW

During the fiscal year we have continued to improve our programs by maintaining a balance between custody and treatment. The individual treatment of each girl in a relaxed atmosphere with opportunities for choice and self-development within the capabilities of the physical plant and staff has been, and will continue to be, emphasized and improved. The recruitment and retention of qualified, dedicated personnel will continue to be of major importance. Of equal importance is the need for continued physical plant improvements with emphasis on the need to replace antiquated, fire hazardous cottages.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide an increase in salaries for staff members to enable the school to recruit and retain properly qualified staff.*

ooo A rehabilitation program at a correction school revolves around a dedicated, educated, well trained staff. The annual increases have not kept up with the cost of living increases. Staff turnover has increased partially as a result of low salaries.

2. *Additional funds should be appropriated (\$262,500) to construct a 32-bed duplex cottage which will partially satisfy this need.*

ooo The transition from custodial to treatment oriented programs requires the provision of modern, appropriate treatment oriented facilities.

3. *Additional funds should be appropriated (\$35,000) to provide for expanded, consolidated inventory storage areas.*

ooo Better inventory management cannot be achieved unless storage facilities are provided.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION. Cost \$ 54,310

◦GOALS

Provide for the effective administration of both the day to day operation of the institution through utilization of available resources and general operations regarding personnel, budgets, programs, security and the managerial and treatment philosophy of the institution.

◦OBJECTIVES

Efficiently utilize each staff member in our effort to rehabilitate each of the institution's wards. Recruitment and retention of qualified personnel with emphasis on in-service training programs and formal education will continue to be a major objective.

◦ACHIEVEMENTS

*Improvements in inventory management, accounting procedures and personnel records management have been made.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Annual per Capita Costs:	\$5,445.01	Increasing	Number of Requisitions Processed:	120	Increasing
Daily per Capita Costs:	\$ 14.92	Increasing	Number of Student Account Checks Issued:	710	Varies
In-service Training:			Ratio of Average Daily Population to Full-time Employees (All Staff at M.V.S.):	1.25/1	Decreasing
On-Campus (No. of Programs)	10	Increasing			
Off-Campus (No. of Individuals)	10	Increasing			
Number of Payment Claims Processed	1200	Increasing			

PROGRAM ► CARE AND CUSTODY. Cost \$240,428

◦GOALS

Provide the necessary group living situation to residents with emphasis on individual student programming, individual and group counseling; medical care; dental care; recreation; pre-release programming; on-campus and off-campus activities; and work programs.

◦OBJECTIVES

To continue to improve the effective diagnosis, care, training and rehabilitation of each girl for which the program is responsible.

◦ACHIEVEMENTS

* A more relaxed atmosphere at the institution with emphasis on helping each child to face, understand and solve her problems has been developed. The runaway rate has continued to be at a minimum even with emphasis placed on accountability rather than security. The recidivist rate has continued to improve partially through the efforts of the Care and Custody program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average Daily Population:	64	Increasing	Average Caseload per Caseworker:	21.3	Increasing
New Commitment Rate:	46	Increasing	Number of Girls Placed:	86	Increasing
Recidivist Rate (Violators):	13.8%	Decreasing	Percentage of Students Participating in Group Counseling Sessions:	40%	Increasing
Average Length of Stay (months):	10.0	Increasing			

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT. Cost \$ 61,027**◦GOALS**

Provide effective overall management of the physical plant, school grounds, utilities, fire protection, safety and security, heat and power, food service, and equipment.

◦OBJECTIVES

Effective and economical maintenance and repair of older buildings; preparation of nutritious and economical meals, and provision of necessary safety and security within available resources.

◦ACHIEVEMENTS

*Appearance and effective utilization of buildings and grounds has been provided. No serious accident involving any student or staff member occurred during the year. No fires occurred at the institution during the year. Preventive maintenance has been increased. More nutritious meals have been provided without a significant increase in cost.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of Fires:	0	Stable	Mileage put on cars used for off-campus program, searching for runaways, returning violators, etc.:	80,519	Increasing
Number of Serious Accidents:	0	Stable			
Number of Buildings at M.V.S.:	10	Increasing	Cost Per Meal (1969-1970, 11 months meat received from prison at reduced cost.):	\$ 0.26	Stable
Number of Work Orders Processed:	1,500	Increasing			
Number of Meals Served:	76,007	Stable			

PROGRAM ► EDUCATION AND TRAINING. Cost \$ 69,841**◦GOALS**

Provide each student with the necessary academic services as prescribed by law under the guidance of the Department of Public Instruction.

◦OBJECTIVES

To provide each child with an academic and/or vocational curriculum which will allow her to develop within her abilities and return to the community to continue her education and/or find gainful employment based on individual capabilities.

◦ACHIEVEMENTS

*Regular attention was granted to the Mountain View School for the 1969-70 fiscal year. Continued success was achieved in reducing the number of students in each class, providing individual programming and treatment, developing improved testing techniques, upgraded classes, new audio visual programs, vocational courses, and off-campus work and/or education related activities. The recidivist rate has continued to improve partially through the efforts of the Education and Training Program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of Classes Offered:	35	Increasing	Number of Students participating in off-campus Upward Bound Program:	4	Increasing
Number of Students completing Vocational Programs:	54	Increasing	Number of Student and Assistant Teachers (volunteers):	5	Increasing
Number of Students participating in off-campus work study training(part-time)	30	Increasing			

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	➤	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	➤	PINE HILLS SCHOOL	1382
Administering Agency's PRINCIPAL GOAL(S)	Provide effective education, training, treatment and rehabilitation of boys between the ages of ten and twenty-one that have been committed to the school.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 83,001
01	Care and Custody		527,587
02	General Services and Physical Plant		157,968
03	Education and Training		185,437
04	Farm		51,992
➤	TOTAL		<u><u>\$1,005,985</u></u>

OVERVIEW

The number of activities providing the students with experiences that assimilate, as closely as possible, the experiences they will encounter in day-to-day living outside of the school were markedly increased during the year. Our educational system has become more "boy-centered" which has motivated several students to seek further education. In-service training programs have helped tremendously to make each staff member more effective. The recidivism rate has been decreased to 15.1 per cent—one of the lowest in the nation.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide salary increases for staff members.*

ooo Salaries at the School are not competitive with those of other agencies. We have experienced an excessively high employee turnover rate partially as a result of low salaries.

2. *Additional funds (\$374,300) should be appropriated to construct a new intensive treatment unit.*

ooo Our present building does not have necessary fire preventative devices and, as such, is not safe for the staff and students. It is also not conducive to modern rehabilitative practices. A new building would facilitate the transition from a custodial to treatment-oriented institution.

3. Additional funds (\$296,000) should be appropriated to construct a new pre-vocational building.

ooo \$296,000 was appropriated for the present biennium to construct the proposed building. However, the actual funds were never made available. This facility is necessary if we are to realistically meet the educational needs of our students.

4. Additional funds (\$85,000) should be appropriated to extend the steam distribution system to the north end of the campus and to provide necessary fire prevention precautions.

ooo The transmission line to the north end of the campus is in a bad state of repair. The tunnel is dangerous to work in while making necessary repairs which are frequently required. A cave-in would result in loss of heat to three of our buildings and a possible loss of life. Presently, we do not have adequate water lines to feed the required number of fire hydrants. State Fire Marshal reports have pointed out this inadequacy for the last few years. By putting the water and utilities lines in the steam tunnel we would be assured of an adequate water supply in case of fire, and maintenance costs would be greatly reduced.

5. Additional funds should be appropriated to increase farm production to provide beef and farm produce to Eastmont Training Center.

ooo We are presently under-utilizing our farm. By remodeling our slaughter-house we could provide Eastmont with all their beef as well as milk and some vegetables. The State could realize considerable savings through use of this cooperative measure.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 83,001

◦GOALS

Provide efficient, effective fiscal controls and planning; recruit and train qualified personnel; and coordinate all programs, providing direction and an overall institution philosophy.

◦OBJECTIVES

Provide direction assistance, and efficient administration of all programs; prevent over-expenditures through a continuing analysis of the actual expenditures by program; recruit and train competent personnel who will effectively bring about behavioral modification and the innate potential of each student; account for and safeguard the individual property and monetary assets of each student; and establish sound personnel practices and procedures which create an atmosphere in which rehabilitation can take place.

◦ACHIEVEMENTS

*Improved our accounting system by use of a more efficient system of recording program expenditures, balances and student accounts.

*Improved personnel practices to facilitate the transition from a custodial institution to a treatment-oriented program.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Claims processed	1,588	Increasing	Requisitions processed	209	Varies
Purchase orders:			Accounts:		
Finalized	245	Increasing	Handled in Helena	20	Increasing
Purchase orders held over	50	Increasing	Handled locally	6	Varies
Number of individual boy accounts	172	Varies	Interagency claims	57	Varies
Personnel files	167	Stable			

PROGRAM ► CARE AND CUSTODY..... Cost \$527,587

◦GOALS

Economically provide care and custody to the residents of the School, creating an atmosphere that is conducive to their rehabilitation in order to return to society happy, productive individuals.

◦OBJECTIVES

Provide suitable living quarters; impart healthful living habits; provide religious training; provide a wide variety of cultural and recreational activities; and strive for individual understanding and assistance of each boy through personal counseling and evaluation.

◦ACHIEVEMENTS

*Continued improvements have been made in the areas of providing an individualized rehabilitation program for each delinquent boy committed to the School. A more comprehensive medical, dental, social, psychological and psychiatric evaluation is completed on each student.

*The provision of more efficient and perceptive lodge parents have greatly reduced the number of run-away boys violating rules, etc. which has created a more healthy atmosphere on the campus.

*Through a close working relationship with the aftercare department, the total rehabilitation process has become more effective. More students are continuing their education and attending vocational schools or colleges upon release. The number of students being returned from aftercare has decreased. The number of ex-Pine Hills School students being sentenced to Deer Lodge has reduced noticeably.

*Clinical Services has continued to improve their treatment program. Individual and group therapy sessions have been instituted along with more comprehensive psychological evaluations.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
New commitments	99	Increasing	Boys returned	63	Decreasing
Recidivism rate (per cent)	15.1	Decreasing	Boys released	128	Increasing
Average daily population	116	Stable	Discharges	62	Varies

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT..... Cost \$157,968

◦GOALS

Provide effective use of buildings and equipment through effective maintenance; serve nourishing meals; and provide opportunities for on-the-job vocational experiences.

°OBJECTIVES

Provide day-to-day and preventative maintenance of buildings, vehicles, and equipment; efficient purchasing and preparation of food, utilize services of a dietician in order to serve well balanced meals; utilize maintenance program as a vocational training devise, and efficiently utilize the maintenance staff.

°ACHIEVEMENTS

- In addition to maintaining and improving our facilities, this program provided pre-vocational training in auto shop work, baking, cooking, carpentry, crafts, electricity, farming, grounds maintenance, and masonry. This experience has helped many boys to find employment after dismissal from the School.
- Improvements have been made in the area of maintenance records and improved inventory control of the stores building and vehicle costs.

PERFORMANCE INDICATORS

Several minor construction, remodeling and repair projects were completed during the year. Meaningful performance indicators have not yet been developed to express these activities however.

PROGRAM ► EDUCATION AND TRAINING..... Cost \$185,437

°GOALS

Provide the students with an educational experience that will help them acquire those skills necessary to compete and adjust to society's standards.

°OBJECTIVES

Provide academic and vocational education to meet standards established by the Department of Education; institute educational programs that will stimulate the students to desire and seek additional knowledge; and gear programs to meet the needs of the individual student whenever possible.

°ACHIEVEMENTS

- The education department continued to expand and improve its educational program through: ungraded, individualized classes, extension of classroom scheduling, more efficient utilization of test results; and better coordination between other departments on campus.
- More students are seeking more education and more students are continuing school upon release.
- More educational programs have given the students more choice and a wider range of educational experiences.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Graduates:		
High school	10	Stable
Elementary	21	Stable
8th grade enrollment	30	Increasing
7th grade enrollment	8	Stable
Ungraded students	21	Increasing
Number of courses offered	43	Increasing

PROGRAM ► FARM..... Cost \$ 51,992

◦GOALS

Provide students with work experience; effectively operate the dairy; produce beef, produce potatoes and other farm produce, thereby reducing the cost of feeding the students.

◦OBJECTIVES

Provide the students with work experience in the care and use of farm equipment, planting, crop production, dairy management, beef production and meat processing. Utilize efficient farming techniques to produce as many usable food items as possible.

◦ACHIEVEMENTS

*Achieved a more efficient farm operation resulting in increased production. The farm has been able to furnish all of the beef and milk the institution needs. Also, we were able to give Deer Lodge around 2,000 bushels of barley.

*Ten per cent of our students have been able to find work on farms when released from the School.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Field crops (alfalfa, corn, oats, and baled straw)	\$20,155	Increasing
Produce (potatoes, tomatoes, cabbage, sweet corn, cucumbers, green beans and peas)	2,331	Increasing
Livestock and related produce:		
Beef @ 39¢ per lb.	8,515	Increasing
Hogs @ 21¢ per lb.	5,637	Decreasing
Milk @ \$1.00 per gallon	19,312	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	➤	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	➤	SWAN RIVER YOUTH FOREST CAMP	1391
Administering Agency's PRINCIPAL GOAL(S)	Provide effective care, education, training, and rehabilitation for the wards of the Youth Camp, with the ultimate goal of returning responsible, well adjusted young men to society.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 40,434
01	Care and Custody		151,150
02	General Services		29,114
03	Education and Rehabilitation		15,278
➤	TOTAL		<u>\$235,976</u>

OVERVIEW

The Youth Camp has been operational since July 1, 1968. Since that time it has developed a sound treatment program and proved to be highly successful in the rehabilitation of wayward youth. Continued emphasis will be placed upon the quality of the treatment program and simultaneously upon the adequacy and safety of the physical environment produced by the Youth Forest Camp.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$5,000) should be appropriated for the purpose of drilling and installing an additional water well.*

ooo Fire safety is a major concern of an institution having wards in residence. The Fire Marshal has recommended a second or stand-by water well to provide additional water in case of fire.

2. *Additional funds (\$43,800) should be appropriated to provide Vehicle Storage and Maintenance Shop buildings.*

ooo The Fire Marshal has objected to the temporary maintenance shop being located in the basement of the Lodge Building because of the increased fire hazard in a building designed for human occupancy.

Not only would the proposed shop building enhance fire safety but it would also make it possible to convert the temporary maintenance shop into a winter recreation court, thus averting a future need for a multi-purpose building.

3. Additional funds (\$6,100) should be appropriated to black-top roads and parking lots.

ooo Access to the camp and general mobility is often hampered by snow in the wintertime and the resultant melt and mud. Surfaced areas would alleviate this problem.

4. Additional funds should be appropriated to pay the Chaplain an hourly rate in addition to mileage allowance.

ooo The Chaplain devotes approximately 20 hours per week in our program. He is very effective and we feel that we are imposing upon him. The Chaplain sees a great need for his services and would like to devote even more time in this area. The Governor's Chaplaincy Advisory Committee has recommended a full time salaried Chaplain for the staff of the Swan River Youth Forest Camp.

5. Additional funds should be appropriated to increase the salaries of the Youth Camp's counselors.

ooo The rehabilitation program of the camp is heavily dependent upon the counselors. Presently, the Youth Camp counselors are being paid below what they could expect to receive for like work in other institutions.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 40,434

◦GOALS

Provide effective leadership and guidance for all of the agency's programs.

◦OBJECTIVES

Provide direction and correlate all programs within the agency; work for acceptance and good relations with the public; cooperate with all other State agencies and organizations.

◦ACHIEVEMENTS

*The cooperative agreement with the Division of Vocational Rehabilitation, whereby that Division provides education and training to the wards of the Youth Camp, has been carried on with very favorable results.

*The Office of the State Forester continues to be high in praise of the boy work crews that are under his supervision.

*The trial project of accepting selected young offenders from the prison has proved successful.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Daily per capita cost (per boy)	\$ 19.68	Increasing
Annual per capita cost (per boy)	7,183.20	Increasing

PROGRAM ► CARE AND CUSTODY.....Cost \$151,150

°GOALS

Provide adequate care and complete subsistence for the boys in residence and maintain sound individual and group counseling programs.

°OBJECTIVES

Return rehabilitated boys to the community by: serving good, well-prepared nourishing food; maintaining proper cleanliness and developing good health habits; conducting a sound and productive counseling program; carrying on a well-balanced recreation program; and striving for continued good boy-counselor interaction.

°ACHIEVEMENTS

*Two counselors have been designated as supervising counselors and are in charge of their respective shifts. This change has been very effective and beneficial.

*One big change in this program has been the trial project of accepting young adults from Montana State Prison. This mixing of adults and juveniles into the camp program has been without significant problems, due mainly to the counseling staff exerting an extra effort to make this project successful.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Average daily population	30	Increasing
Average number of full-time employees	19	Stable
Average number participating in trainee program	63	Increasing
New admissions	49	Decreasing
Re-admissions	17	Increasing
Returned from aftercare	12	Increasing
Discharges	27	Increasing
Transfers to other institutions	16	Varies

PROGRAM ► GENERAL SERVICES.....Cost \$ 29,114

°GOALS

Effectively operate and maintain the physical plant of the Youth Camp.

°OBJECTIVES

Provide current preventive maintenance; keep the physical plant in proper operation, maintain a safe water supply, and maintain the grounds, buildings, equipment and vehicles.

°ACHIEVEMENTS

- *The physical plant is constantly being upgraded.
- *The heating system and domestic water systems have complete chemical treatment systems that are supervised and inspected daily.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EDUCATION AND REHABILITATION.....Cost \$ 15,278

°GOALS

To provide the training, counseling, supervision and education necessary to prepare each boy for his future.

°OBJECTIVES

Effectively utilize training, remedial education, and vocational education services provided by the State.

°ACHIEVEMENTS

- *Vocational rehabilitation has provided medical and dental expenses to Youth Camp clients so they will be in good physical condition upon release so that they are employable or trainable.
- *The camp chaplaincy program has proved to be very successful and is continuing to become even more effective.
- *The recidivism rate of the Swan River Youth Forest Camp is the lowest of any juvenile correctional institution in the nation.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	HEALTH, SOCIAL ASSISTANCE AND REHABILITATION	4
MAJOR PROGRAM AREA	▶	SOCIAL REHABILITATION	5
ADMINISTERING AGENCY	▶	MONTANA STATE PRISON	1384
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Maintain custody over convicted felons incarcerated in the State Prison.</i></p> <p><i>Provide effective rehabilitation and training for prison inmates, in an effort to return self-reliant, well adjusted citizens to the community.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$ 128,364
01	Care and Custody		1,362,334
02	General Services and Physical Plant		302,916
03	Education		39,169
04	Ranch and Dairy		273,272
05	Bureau of Identification		<u>39,692</u>
▶	TOTAL		<u>\$2,145,747</u>

OVERVIEW

During the fiscal year, we strived to improve all programs, giving particular emphasis to the best utilization of prison facilities. This emphasis resulted in benefits to both prison personnel and inmates; improving ranch operations; and upgrading the professional qualification of prison personnel.

To improve the efficiency and overall effectiveness of prison programs, consideration should be given to providing new or renovated prison facilities and upgrading the salary levels of the prison's staff.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to increase salary levels equivalent to those established legislatively as Class I city law enforcement minimums.*

ooo Presently, salary levels at the Prison are below those of local agencies competing for qualified law enforcement personnel. Consequently, we have difficulty recruiting and retaining a competent staff.

2. *Additional funds should be appropriated to match federal funds (contingent upon the availability of federal funds) for the construction of a new prison at the prison ranch.*

◦◦◦ The construction of a new prison would permit vacating the main prison, which is in need of major repairs. This investment would result in annual operating cost savings of \$200,000.

3. If recommendation two is not feasible, additional funds (\$150,000) should be appropriated to provide major renovation of the main prison.

◦◦◦ The main prison was constructed a hundred years ago and a major renovation is now required to ensure the training, safety and security of the inmates and prison personnel.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$128,364

◦GOALS

Provide effective administration of the Prison by coordinating all programs; maintaining accurate fiscal records; and properly utilizing the staff. Cooperate with other State agencies in matters of mutual concern.

◦OBJECTIVES

Upgrade the accounting department and maintain better inventory controls of all supplies and materials coming into the institution.

Provide an organizational framework that clearly defines chains of command and responsibility and yet allows for teamwork and flexibility.

Establish a program of training and development for staff that not only encourages their participation, but allows for full use of their talents and potential.

Establish positive lines of communication with inmates consistent with the total program efforts.

◦ACHIEVEMENTS

*We have upgraded our mail department so that two employees can handle all incoming and outgoing mail.

*A new rule book has been issued to all inmates and employees. Many of the old rules were obsolete and this new rule book has brought all rules and regulations up-to-date.

*The Governor's Crime Control Commission has made a \$32,000 grant to be used for in-service training of our permanent employees which should enable us to embark on a compulsory training program during the current year.

*We have been successful in enlisting the cooperation of the University of Montana to provide a series of extension courses comprising a "core-curriculum in corrections". We have recently completed the first of these courses and are about to embark upon the second. Forty-five employees took advantage of the first course.

*We now have four of the prison staff who are in staff development assignments to the Board of Pardons (and paroles) which will provide some of our staff with a broader base of knowledge in corrections.

*Several selected staff members have completed technical courses in the Montana Law Enforcement Academy.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Employees:		
Count 7-1-69	221	
Hired	92	Increasing
Terminated	94	Increasing
Count 6-30-70	219	

PROGRAM ► CARE AND CUSTODY Cost \$1,362,334

◦GOALS

Maintain custody of, and provide care for, all inmates of the prison. Direct inmates in a manner that will effectively assist them in their return to the community as better and more reliable citizens.

◦OBJECTIVES

Maintain security controls such that prisoners remain in confinement until ordered released by proper authorities. Prescribe appropriate training programs. Provide care and training for inmates in a manner conducive to their spiritual, mental and physical well-being. Keep the public informed and cooperate with all allied agencies in matters of mutual concern.

◦ACHIEVEMENTS

*Abolished the use of all underground cells.

*Four new disciplinary cells and three psych cells were constructed.

*Eliminated the women's unit at Montana State Prison by transferring our female felons either to Warm Springs State Hospital or the Nebraska State Women's Reformatory. This has provided not only a far greater treatment and training potential for our women prisoners but also has resulted in considerable savings to the State of Montana.

*Successfully negotiated a contract with the University of Montana to provide a psychological treatment program. There are 46 inmates who are receiving either individual or group therapy. Warm Springs State Hospital continues to provide us with psychiatric consultation on a part-time basis. The psychiatrist works very closely with the project director of our psychological treatment program.

*Through the cooperation of the Employment Security Commission, a full-time placement officer has been assigned to work directly at the Prison in an effort to place inmates who have received paroles. This project has paid for itself several times in the savings accrued by getting eligible parolees back to the community at a greatly increased rate. The Division of Vocational Rehabilitation has been very cooperative in similar efforts by assigning a full-time vocational rehabilitation counselor and secretary to the Prison's case load.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Total inmate days	134,736	Decreasing
Average daily count	369.14	Decreasing

PROGRAM ► GENERAL SERVICES AND PHYSICAL PLANT Cost \$302,916

◦GOALS

Provide effective service in relation to the commissary, food service, buildings and grounds maintenance, warehousing, clothing, purchasing, utilities, and vehicle maintenance.

◦OBJECTIVES

Effectively and economically maintain and repair Prison facilities; prepare nutritious and economical meals; economically purchase and care for clothing; and efficiently utilize storage facilities.

◦ACHIEVEMENTS

*Completed plumbing all towers on the wall, and for the first time in one hundred years we are flushing toilets in the towers.

*A new heating system will be placed in the towers in the near future.

*All clothing for inmates and officers is now being purchased through the Department of Administration's Central Purchasing Program.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► EDUCATION Cost \$ 39,169

◦GOALS

Provide useful vocational education to inmates to assist them in their return to the community.

◦OBJECTIVES

Provide vocational training in the Prison's programs consisting of animal slaughter, meat processing, carpentry, modern farming methods, and hospital technician work.

Cooperate with the Division of Vocational Rehabilitation in their effort to provide vocational education to the inmates.

◦ACHIEVEMENTS

*Statistics of the past several years substantiate the belief that fewer inmates come back to prison after they have received training than those who do not receive training.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► RANCH AND DAIRY Cost \$273,272

◦GOALS

Provide a means of supplying the prison with much of its own foodstuffs and, hopefully, provide other State institutions with some of their food needs.

◦OBJECTIVES

Provide a well integrated overall plan for land utilization.

Increase animal units to the carrying capacity of the various operations.

Maintain accurate and useable records of production and usage in all phases of the operation.

Constantly seek means of increasing production at a lower cost of man hours and capital outlay.

◦ACHIEVEMENTS

*Contracted for ranch equipment that will permit more production with fewer man hours and less cost to the State. Last year it took a 30-man crew to harvest our hay crop. This year we are achieving the same task with no more than five men.

*The dairy was moved from Warm Springs to the Prison in April of 1969 and we have been furnishing milk and milk products to Warm Springs, Galen and the Prison. Production continues to increase in the dairy operation.

*In November of 1969 the meat processing plant was moved from the store to the slaughter house at Ranch 1. All processing of meat, smoking of hams and bacons and rendering of lard is now accomplished in the new processing plant.

*The fiscal year 1969-1970 saw a complete re-evaluation of the meat production program which will result in increased production for institutions in the current year.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► BUREAU OF IDENTIFICATION Cost \$ 39,692

◦GOALS

Maintain permanent, meaningful, useful, properly classified records of all inmates incarcerated in Montana State Prison and provide pertinent data to interested agencies in a timely manner.

◦OBJECTIVES

Maintain a file system consisting of method of operations, tattoos and other identifying characteristics.

Improve record files by condensing all information on microfilm.

Improve and increase our exchange of information with all law enforcement agencies.

Strive to increase our distribution of criminal publications and contributions from law enforcement agencies.

◦ACHIEVEMENTS

*Achieved better control of files and work habits by moving the identification bureau from the administration office to the vacated women's quarters.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

GOVERNOR'S ANNUAL REPORT

Function ► **LABOR & EMPLOYMENT**

Agency _____ *Page* _____

<i>Employment Security Commission</i>	305
<i>Department of Labor and Industry</i>	310
<i>Industrial Accident Board</i>	313
<i>Public Employees' Retirement System</i>	318
<i>Teachers' Retirement System</i>	321

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	LABOR AND EMPLOYMENT	5
MAJOR PROGRAM AREA	▶	EMPLOYMENT	1
ADMINISTERING AGENCY	▶	EMPLOYMENT SECURITY COMMISSION	0419
Administering Agency's PRINCIPAL GOAL(S)	Promote maximum utilization of human resources and provide financial benefits, stipends and allowances for eligible trainees and unemployed individuals.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Unemployment Insurance and Employment Service		\$11,015,687
01	Job Corps		44,870
02	Manpower Development and Training		872,469
03	Labor Mobility		49,019
04	Concentrated Employment		397,357
05	Work Incentive		367,280
06	Cooperative Area Manpower Planning System		14,078
▶	TOTAL		<u>\$12,760,760</u>

OVERVIEW

During the fiscal year, the disturbing influence of national fiscal policies had some effect on the State's labor market. On the whole, however, employment in most major industries continued to grow. At the same time, unemployment reached the highest level of the past eight years.

Major efforts have been directed toward the hardcore unemployed without sacrificing other services and programs. These included: worker recruitment; job placement; employment counseling; aptitude testing; service to veterans and other special applicant groups; labor market and occupational information; and the payment of unemployment insurance benefits.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

ooo Recommendations to facilitate the achievement of our goals will be submitted after we have met with the State Advisory Council.

ANALYSIS OF PROGRAMS

PROGRAM ► UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICECost \$11,015,687

◦GOALS

Promote maximum utilization of the State's human resources.

Provide financial subsistence to temporarily unemployed individuals.

◦OBJECTIVES

Maintain a system of public employment offices providing manpower services including counseling, testing, job development and placement; administer unemployment benefit payments in accordance with State law and two Federal unemployment insurance programs; collect employer contributions for the unemployment insurance trust fund; and effectively administer all of the agency programs.

◦ACHIEVEMENTS

*Increased the involvement of the business community and State and local organizations in manpower activities.

*Implemented an automatic reporting system to provide a computerized job bank, matching worker qualifications with existing job orders.

*Provided a continuous program for fraud prevention, detection, and control of benefit claims.

*Implemented the "Jobs Opportunity in the Business Sector" program to promote job opportunities with businesses for disadvantaged individuals.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Local employment security offices	23	Stable	Individuals receiving maximum number of benefit checks	3,755	Varies
Job registrants	59,341	Increasing	Claim payments under Federal programs:		
Industrial job openings	39,296	Varies	Unemployed ex-servicemen	13,318	Varies
Industrial job placements	31,577	Varies	Unemployed federal civilian workers	9,403	Varies
Farm job placements	23,229	Decreasing	Convictions for fraudulent claims and overpayments	61	Varies
Counseling interviews	25,000	Increasing	Claim hearings conducted by:		
Initial claims for unemployment compensation	23,019	Varies	Appeals referees	268	Varies
Eligible claimants	19,018	Varies	Commission	35	Varies
Continuous claims filed	213,130	Varies			

PROGRAM ► JOB CORPSCost \$ 44,870

◦GOALS

Provide basic education, skill, training and useful work experience for young men and women needing a change of environment and individual help to develop talents, self-confidence and motivation.

◦OBJECTIVES

Recruit and screen interested applicants in accordance with job corps criteria and recommend those meeting eligibility requirements.

Provide manpower services to Job Corp trainees.

◦ACHIEVEMENTS

*Interviewed and screened 1,500 youths to obtain 198 enrollments.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Interviews conducted	1,500	Varies
Trainees provided additional services	134	Varies

PROGRAM ► MANPOWER DEVELOPMENT AND TRAINING Cost \$872,469

◦GOALS

Provide occupational training and re-training for unemployed and under-employed persons who cannot reasonable obtain appropriate full-time employment without education and/or training.

◦OBJECTIVES

Determine occupational training needs, select and refer trainees to programs.

Develop job opportunities.

◦ACHIEVEMENTS

*Cooperated with the Superintendent of Public Instruction to provide an effective occupational training and re-training program.

*Maintained two MDTA centers to assist Montana Indians.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Enrollees	1,079	Increasing
Placement of graduates	553	Increasing
Percentage of graduates successfully placed	80	Increasing

PROGRAM ► LABOR MOBILITY Cost \$ 49,019

◦GOALS

Provide better employment opportunities by moving the unemployed worker from a labor surplus area to a labor demand area.

◦OBJECTIVES

Provide financial assistance to unemployed individuals to stimulate movement to high employment areas.

◦ACHIEVEMENTS

*Effectively relocated 48 per cent of the project population.

*Provide an average of \$248 in financial assistance for relocation.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Unemployed individuals relocated	99	Discontinued
Individuals relocated in State	77	Discontinued
Individuals relocated out-of-state	22	Discontinued

PROGRAM ► CONCENTRATED EMPLOYMENT Cost **\$397,357**

◦GOALS

Unify and concentrate all Federal manpower efforts to attack unemployment and underemployment problems of the disadvantaged in slum or rural areas.

◦OBJECTIVES

Provide program participants manpower services including orientation and assessment, basic education, vocational training, on-the-job training and work experience.

◦ACHIEVEMENTS

*Contracted a CEP program with the Butte-Silver Bow Anti-Poverty Council to coordinate manpower services in six neighboring counties.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Enrollment	690	Increasing
Job placement	223	Increasing
Dropouts	56	Decreasing
Transfers to other programs	47	Varies

PROGRAM ► WORK INCENTIVE Cost **\$367,280**

◦GOALS

Provide the means for taking men, women, and out-of-school youths 16 years and older off the welfare rolls and making them into productively employed citizens.

◦OBJECTIVES

Provide orientation and assessment services, basic education and vocational training and job placement services. Cooperate with local welfare agencies for referrals.

◦ACHIEVEMENTS

*Provided the WIN program in six Montana communities which consisted of a three week orientation assessment course and training and job placement according to individual needs.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Enrollment	350	Increasing
Job placement	76	Increasing

PROGRAM ► COOPERATIVE AREA MANPOWER PLANNING SYSTEM..... Cost \$ 14,078

◦GOALS

Coordinate all manpower and related services to help the poor and the disadvantaged receive the services designed according to their needs and circumstances.

◦OBJECTIVES

Develop a plan that links federal programs and local efforts.

Establish priorities for manpower action based on local needs and circumstances.

◦ACHIEVEMENTS

*Operated through a State committee consisting of personnel from sixteen Federal and State agencies and six local area planning committees representing the entire State.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	LABOR AND EMPLOYMENT	5
MAJOR PROGRAM AREA	▶	REGULATION	
ADMINISTERING AGENCY	▶	DEPARTMENT OF LABOR AND INDUSTRY	0424
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Protect the rights of the laborer in Montana by insuring that fair, just and safe labor practices are upheld by employers.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Labor Administration		\$35,763
01	Apprenticeship Council		34,293
▶	TOTAL		<u><u>\$70,056</u></u>

OVERVIEW

The Department's activities were highlighted by an operational study designed to increase our knowledge of the operations and to prepare to make necessary administrative changes to improve efficiency. The changes resulted in a reorganization in Department's staff and adoption of recommendations to be made to the Legislature. Presently, we are only providing token regulation enforcement and services because of a limited staff but, under our reorganization, a substantial increase in services will be accomplished.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Applicable statutes should be amended to enact a Minimum Wage Law of \$1.60 for all employees not covered by the Federal Fair Labor Standards Act except farm employees. Farm employees should be covered by a Minimum Wage Law, of \$1.20 the first year, \$1.40 the second year and then equal the Federal Minimum Wage rate of \$1.60 the third year.*

ooo Montana is one of nine states without a Minimum Wage Law. An estimated \$25,000 should be appropriated the first year to establish the procedures and future appropriations should be based on the actual workload.

2. *Applicable statutes should be amended to establish a public employees mediation service.*

ooo In spite of civil service, merit systems and laws prohibiting public employees the right to bargain or strike, this service will be a major need for the State and local governments. The ability to

bargain with public employees must be enacted now to avoid serious disruptions of public services in the future.

3. *Applicable statutes should be revised to give the State greater enforcement powers over adjudicating wage claims.*

◦◦◦ We are not presently empowered to effectively enforce claims for wage payments.

4. *Civil Rights laws should be revised to correlate with Federal laws.*

◦◦◦ At one time, we believed that only those laws necessary to be eligible for a Federal Deferral Agreement should be enacted. However, after studying experiences of other states, we have concluded that Montana laws, with enforcement provisions, should be enacted to cover any violations of human rights.

5. *Statutes concerning wage and work hour limitations should be revised to correlate with Federal regulations.*

◦◦◦ These statutes should be updated because meaningful enforcement is presently impossible.

6. *Additional funds should be appropriated to provide an additional fieldman for the Apprenticeship Council.*

◦◦◦ We are now unable to meet many of the requests to conduct educational seminars and to regularly inspect all apprenticeship facilities and apprentice records. If the State's apprenticeship programs deteriorate any further, a drastic shortage of skilled craftsman will result. Expanding the present activities of the Apprenticeship Council will be less costly than a crash training program at some future date.

ANALYSIS OF PROGRAMS

PROGRAM ► LABOR ADMINISTRATION.....Cost \$ 35,763

◦GOALS

To strive for improvement of labor conditions and labor relations in the State.

◦OBJECTIVES

Provide effective regulation enforcement to insure that labor laws are not violated.

Investigate all labor violations presented to the Department.

Promote equitable personnel management practices.

Maintain an effective accounting system for this agency.

◦ACHIEVEMENTS

*Placed the Labor Compliance Section of the Highway Department under the jurisdiction and supervision of the Department of Labor. This transfer eliminated duplication of field work.

*Complied with the Executive directive to enforce Civil Rights Laws under Chapter 3, Title 64, Revised Codes of Montana 1947.

*Implemented and enforced the new Prevailing Wage Law to eliminate payment of sub-standard wages by out-of-state contractors.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Wage claims processed	1,700	Decreasing
Hearings conducted regarding wage claims	63	Unknown
Complaints of equal employment rights	17	Increasing
Bonds filed in compliance with the Restaurant, Bar, and Tavern Wage Protection Act	300	Unknown

PROGRAM ► APPRENTICESHIP COUNCIL.....Cost \$ 34,293

°GOALS

Promote by voluntary participation of employers and employees, apprenticeship training programs.

°OBJECTIVES

Make all employers and individuals beginning careers aware of apprenticeship opportunities.

Assist in devising training standards for all apprenticeable crafts.

Maintain permanent records of all apprentices.

Cooperate with Federal agencies concerned with apprenticeship programs.

°ACHIEVEMENTS

*Eliminated the position of apprenticeship council director and appointed the labor commissioner to the program. Funds made available through this action were used to provide a much needed fieldman.

*Issued all diplomas or completion certificates to apprentices.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Apprentices trained	873	Increasing
New applicants	440	Increasing
Employers with apprenticeship programs	700	Increasing
Apprenticeship trainers	65	Stable
Age certificates filed	2,038	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	LABOR AND EMPLOYMENT	5
MAJOR PROGRAM AREA	▶	INSURANCE AND COMPENSATION	3
ADMINISTERING AGENCY	▶	INDUSTRIAL ACCIDENT BOARD	0408
Administering Agency's PRINCIPAL GOAL(S)	Provide prompt, reasonable income and medical benefits to work accident victims or income benefits to their dependents. Assist employers reduce the occurrence of preventable job incurred accidents and illnesses.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$7,276,973
01	Silicosis		691,270
▶	TOTAL		<u>\$7,968,243</u>

OVERVIEW

This year was a period of transition—physically and administratively. Achievements of major significance include: a more complete division of Board and Fund functions and responsibilities; appointment of the Governor's Advisory Committee on workmen's compensation matters; establishment of the Public Information and Education Office; and creation of the administrative coordinator position.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide eleven additional fieldmen and three administrative positions.*

ooo We now inspect an average of only 11 per cent of the 15,000 industrial employers for adequate safety programs. One of the positions will be an industrial health engineer to give the Department the necessary capability to test, measure and analyze toxic and hazardous air, vapors, dust and noise. The other positions will provide a further intensification of efforts to meet the increasing demands of industry, and further reduce the exposure of employees to hazardous employment conditions.

2. *Applicable statutes should be amended to give the Board authority to promulgate safety codes for coal, metal and nonmetal mining operations.*

ooo The Board is responsible for administering the industrial safety program. However, no specific authority has been given to promulgate safety codes to comply with current industrial safety stan-

dards. This authority will permit effective, timely adjustments to meet Federal standards and requirements peculiar to the mining industry.

3. Applicable statutes should be revised and updated to provide that laws regulating boilers and engines conform to new methods and equipment.

ooo The experience requirements for boiler engineers should be reduced to be consistent with present industrial requirements. For example, our current experience requirement for third class is one year, but should be six months and low pressure experience requirements are currently six months, but should be three months. Also, the horse power rating criteria for compressors should also be changed for the purpose of licensing operators.

4. Additional funds (\$12,000) should be appropriated to hire a statistician and one clerk-stenographer.

ooo The administrative coordinator is responsible for the development of statistical data and the coordination of the administrative activities for the various departments. This workload is such that additional assistance is imperative.

5. Additional funds (\$52,000) should be appropriated to hire an assistant claims manager and three additional clerks to assist in the handling and processing of claims.

ooo Two claims examiners are currently managing approximately 650 claims for wage compensation and processing approximately 4,500 accident reports each fiscal year. Efficient claims management can only result from adequate, well-trained personnel.

6. Additional funds (\$15,000) should be appropriated to hire one assistant employer accounts supervisor and an additional clerk to assist in the handling and processing of new firm accounts and in the general operation of the employer accounts department.

ooo The employer accounts department is understaffed, resulting in delays in processing new enrollments, cancellations and general office correspondence concerning underwriting. The additional staff will allow for more effective handling of our workload in this important area of firm coverage.

7. Additional funds (\$21,000) should be appropriated to hire two claims examiners and one additional clerk to assist in the supervision and processing enrollment records and claims records for Plans I and II.

ooo Presently, more than 7,000 employers are enrolled under Plans I and II, involving 64 self-insurers and over 120 insurance carriers. This exposure results in annual losses exceeding 12,000 in number and \$4,000,000 in benefit liability. Previous budgets have not allowed sufficient work force to accomplish any more than a superficial surveillance of these plans.

8. Additional funds (\$24,000) should be appropriated to hire three additional field representatives to personally contact seriously injured workmen.

ooo Each year at least 2,700 workmen are disabled as a result of industrial accidents. The claims department must provide medical and compensation benefits with the least possible delay. However, at least 10 per cent of the 9,300 accidents reported last year required investigations to determine if the injury was job-incurred. The present staff of three field representatives cannot effectively handle the existing workload.

Doubtful cases cannot be investigated promptly, and serious cases cannot be properly managed in the absence of personal contact.

9. Additional funds (\$5,000) should be appropriated to purchase video-tape equipment and supplies.

ooo Some equipment has already been purchased as the initial step in producing our own training films—an integral part of our long-range program of information and education for management, labor and the public in general. The additional equipment is the second major step in this program and will supply us with facilities for actual on-the-job productions and programs.

10. The Montana Workmen's Compensation Act should be amended to allow the Workmen's Compensation Program to comply with its social and economic obligations.

ooo The International Association of Industrial Accident Boards and Commissions has recommended standards to avert the necessity of Federal intervention. The recommendations, for the Montana Act include: coverage for farm employment; medical coverage without time or cost limitation; supervision and control of medical care by the compensation agency; full rehabilitation of injured workers, including weekly benefits and other necessary expenses during the period of rehabilitation; compensation up to at least two-thirds of the average weekly wage for the jurisdiction for temporary total disability; benefits for life in cases of permanent total disability; benefits for life, or to remarriage, payable to the widow in death cases; a Second Injury Fund established to permit the employment of the physically handicapped without hardship on the part of either the worker or his employer; and a budget that will allow the State Fund to provide existing and proposed programs to properly administer the provisions of the Workmen's Compensation Act.

11. Additional funds (\$4,500) should be appropriated to hire an additional clerk in the accounting department to maintain capital and supply inventories and supervise micro film processing operations.

ooo These activities are presently being handled ineffectively by an individual on a part-time basis. The workload demands the attention of a full-time employee to attain an effective level of control.

12. Section 92—1121, R.C.M. 1947, should be amended to include salary and wages paid during actual vacation period as remuneration subject to premium assessment.

ooo Many employers fail to exclude vacation pay when submitting their payroll reports to the Fund, resulting in returned premium during the annual audit of their books and records. To facilitate the processing of premiums, provide additional revenue and comply with the National Council's recommendation, the statute should be appropriately revised.

13. Additional funds (\$3,000) should be appropriated to purchase a card viewer for retaining Plan I and II claim records.

ooo The present method of filing claim records is archaic and cumbersome. The new system would greatly improve the efficiency and release substantial floor space for other functions. This system would also assist in reducing present personnel requirements.

14. Additional funds (\$5,000) should be appropriated to provide field investigation services for the Silicosis Program.

ooo In the past year a field investigator from the Administration Program was used to comply

with a recommendation made by the Legislative Auditor. To properly administer this program, with an emphasis on periodic surveillance of recipients for income qualifications, field contact and investigation is an absolute necessity.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$7,276,973

◦GOALS

- Provide prompt reasonable income and medical benefits to work accident victims, or income benefits to their dependents as stipulated in the Workmen’s Compensation Act.
- Promote and enforce safety standards and practices in industrial operations.

◦OBJECTIVES

- Provide prompt wage compensation and medical benefits to qualified claimants or to their dependents.
- Improve the procedures of claims processing to reduce court delays, legal costs and workloads arising out of personal injury litigation.
- Encourage maximum employer interest in safety and rehabilitation through application of appropriate experience rating mechanism.
- Relieve public and private charities from financially supporting uncompensated industrial accident victims.
- Supervise Plan I and Plan II activity to assure fair and impartial treatment of claimants indemnified by self-insurers and private carriers.

◦ACHIEVEMENTS

- Realigned personnel to more effectively divide Industrial Accident Board and State Fund functions and responsibilities.
- Reviewed our investment portfolio with emphasis placed upon yield which resulted in an increase in our interest income of \$138,558.
- Developed and initiated a personnel policies and procedures manual.
- Appointed the Governor’s Advisory Committee to evaluate Montana’s Workmen’s Compensation Laws in light of today’s social and economic demands and to ultimately recommend changes to the Legislature.
- Created the position of public information and education director to inform employers of their obligations to inform employees of the available benefits and to assist our safety staff in promoting the industrial safety message throughout the State.
- Created the position of administrative coordinator to coordinate the efforts of the various agency functions.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Accidents reported	9,300	Increasing	Accidents investigated (fatal and non-fatal)	187	Increasing
Disabling injuries (industrial accidents) per 1,000 population	33.2	Decreasing	Boiler licenses renewed	2,792	Increasing
Claims for wage compensation	1,732	Increasing	Boiler licensing examinations given	439	Varies
Employers enrolled under Plans I and II	7,000	Stable	First Aid courses conducted	27	Varies
Safety inspections conducted	4,425	Increasing	Safety meetings conducted	279	Varies
Work orders issued	40	Varies	Presentations of safety films	229	Increasing
Special reports	116	Varies	Industrial safety courses conducted	15	Varies

PROGRAM ► SILICOSIS..... Cost \$691,270

◦GOALS

Provide prompt, reasonable income to individuals totally disabled and barred from gainful employment because of silicosis.

◦OBJECTIVES

Continue effective medical screening of applicants to determine qualifications for silicosis disability benefits.

Continue periodic checks of recipients to determine income qualifications.

Ultimately phase out the program as the incidence of silicosis disease decreases.

◦ACHIEVEMENTS

*Processed benefit claims for qualified recipients and scheduled medical examinations for new applicants.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Silicosis benefit recipients	400	Decreasing
Applications processed	59	Decreasing
Applicants granted benefits	22	Decreasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	LABOR AND EMPLOYMENT	5
MAJOR PROGRAM AREA	▶	ADMINISTRATION	4
ADMINISTERING AGENCY	▶	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	1401
Administering Agency's PRINCIPAL GOAL(S)	Administer those retirement systems for which the agency is responsible in the most efficient and economical manner while providing maximum retirement survivors and death benefits to eligible members.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Public Employees' Retirement System		\$ 6,125,944
01	Social Security		18,083,700
▶	TOTAL		<u>\$24,209,644</u>

OVERVIEW

During the fiscal year five systems were administered under two programs: Public Employees' Retirement System; Game Wardens' Retirement System; Judges' Retirement System; Volunteer Firemen Pension; and Social Security Program. We appreciate the opportunity and privilege of providing a measure of reward and recognition to the faithful and deserving public employees of the State of Montana and its contracting political subdivisions while contributing to the improvement of the personnel standards for efficient, courteous and stable public service in Montana.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Additional funds (\$12,000) should be appropriated to hire one additional staff member, equip the staff member and contract additional computer time for the Public Employees' Retirement System Program.

ooo The present record maintenance and benefit issuance function has exceeded the 10,000 member limitation of the normal manual posting operation. A part-time operator has been hired to maintain current records. The additional staff member is needed to assume some of the senior staff member's duties so they will be able to oversee the computer changes. In future years the University System will be added to the pilot program utilizing the automatic equipment of the individual university units. Eventually all individual records will be converted to an automated system.

2. Additional funds (\$23,000) should be appropriated to develop the inspection portion of the Social Security Program to comply with the requirement of the Department of Health, Education and Welfare for onsite examination of contracting political subdivisions.

ooo The Department of Health, Education and Welfare requires an onsite audit of local entities and political subdivisions to provide a system for measuring the quality of the performance of our contractual obligations under the Federal-State Agreement. The audit of political subdivisions and local entities can be best accomplished by our own audit staff and they can also provide the necessary guidance and assistance to the local officials. It is further contemplated that this audit staff can eventually be trained to perform similar services for the Retirement System Program. A minimum of two (2) field auditors is required. The 1971 budget provides for one field auditor. One field auditor, two automobiles, and two adding machines are requested for the 1973 biennium.

3. The central accounting system should be revised to allow separate and complete accounting for investments.

ooo Presently, all disbursements from the agency account are charged, by the controller, to a grants and benefits category. All benefit payments, all investments (long and short term), investment expenses and accrued interest are recorded in this category. Within several months this category, as it pertains to the retirement system, provides no meaningful financial information.

4. Actuarial data should accompany any proposed legislation relating to benefit increases for PERS members.

ooo In the past, legislative assemblies have considered and passed benefit and funding legislation which was not available to the PERS until the legislation was introduced. This delay has resulted in increased unfunded liability exceeding \$12,000,000 because of the difficulty in obtaining accurate projections of the actuarial data from our consulting actuary.

ANALYSIS OF PROGRAMS

PROGRAM ► PUBLIC EMPLOYEES' RETIREMENT SYSTEM.....Cost \$6,125,944

◦GOALS

Promote State and local government services by providing an adequate retirement program for governmental employees.

◦OBJECTIVES

Provide the maximum investment yield with due consideration for the economic impact on the Montana monetary market.

Develop a progressive investment program to insure the availability of current and future benefits.

Provide benefit information and retirement counseling to members.

◦ACHIEVEMENTS

*Administered the amended Public Employees' Retirement Act allowing members full retirement at age 60

and legislators retirement on an annualized salary credit basis.

*Reduction of the unfunded liability was effected by the one-half per cent employer contribution increase and the additional yield on total assets.

*Acquired sufficient office facilities to meet administrative staff needs for the next ten years. A portion of the facilities has been leased until the space is needed.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Membership	21,097	Increasing	Benefits paid	2,680	Increasing
Assets:			Refunds paid	4,201	Increasing
PERS	\$62,294,188	Increasing	Percentage yield on total assets:		
Judges' Retirement System	541,003	Increasing	PERS	5.67%	Increasing
Game Wardens' Retirement System	733,465	Increasing	Judges' Retirement System	7.12%	Increasing
Volunteer Firemen's Pension Fund	723,728	Increasing	Game Wardens' Retirement System	5.60%	Increasing

PROGRAM ► SOCIAL SECURITY.....Cost \$18,083,700

◦GOALS

Provide the basic protection accorded to others by the old-age survivors' insurance system embodied in the Social Security Act, in accordance with the agreement between the State of Montana and the Department of Health, Education and Welfare.

◦OBJECTIVES

Enforce compliance with the terms of the Federal-State Agreement and regulations prescribed by the Secretary of Health, Education and Welfare.

Provide an investment program for a continual and appreciable growth in earnings.

◦ACHIEVEMENTS

*Increased interest earnings from short term investment of the social security contributions by 60 per cent to \$246,782.

*Prepared nine modifications of the Federal-State Agreement to provide social security coverage for fifteen additional eligible groups.

*Conducted four referendums for agencies covered by the Public Employees' Retirement System or the Teachers' Retirement System. Twenty groups of employees voted on these referendums.

*Published and distributed a comprehensive reporting manual for all participating agencies.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Entities reporting	832	Increasing	Public employees covered	42,000	Increasing
Reporting errors corrected	2,500	Increasing	Assets	\$4,489,031	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	LABOR AND EMPLOYMENT	5
MAJOR PROGRAM AREA	▶	ADMINISTRATION	4
ADMINISTERING AGENCY	▶	TEACHERS' RETIREMENT SYSTEM	1407
Administering Agency's PRINCIPAL GOAL(S)	Improve the educational system in the State by providing a financial program with retirement, disability and survivor's benefits for teachers.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Teachers' Retirement		\$5,564,547
▶	TOTAL		<u>\$5,564,547</u>

OVERVIEW

During the fiscal year we: began an extensive change-over of our accounting system which will be completed by the end of the 1971 fiscal year; supervised the construction of an office building which we now occupy and lease space to the Department of Public Instruction; paid \$4,200,000 in benefits to retired teachers and refunded \$1,100,000 to teachers who quit teaching; increased our assets to \$6,900,000 and the yield on our total assets to 5.44%.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Applicable statutes should be ammended to allow investment in equities of companies listed on the New York Stock Exchange (not exceeding 25 per cent of the System's total assets).*

ooo Investment in high grade equities will provide additional capital to offset the increasing costs of retirement programs. Currently, thirty-six state retirement systems consider these equities as a prudent investment. The anticipated growth in income would enhance the trust fund without jeopardizing the System's asset portfolio.

2. *Applicable statutes should be amended to make the straight life retirement benefit at age sixty, one half the final average salary for thirty-five years of service.*

◦◦◦ Under the present "money purchase annuity provision" (adopted in 1937) the retirement benefit was supposed to be one-half the final average salary for thirty-five years of service. This benefit was to be funded equally from teachers' contributions (plus interest) and from school district contributions. Until the statute limiting teachers' contributions was changed in 1967, the restricted teachers' contributions could not accumulate enough money to purchase an annuity equal to 25 per cent of the final average salary. The flat formula should be used to assure teachers of an adequate retirement income.

3. Additional funds should be appropriated to hire an accountant to up-date the accounting procedures in accordance with the new accounting system being implemented.

◦◦◦ An individual with an accounting background is needed to properly implement meaningful accounting procedures.

ANALYSIS OF PROGRAMS

PROGRAM ► TEACHERS' RETIREMENT..... Cost \$5,564,547

◦GOALS

Improve the educational system in the State by providing a financial program with retirement, disability and survivor's benefits for teachers.

◦OBJECTIVES

Maintain a sophisticated program of low risk favorable yield investments with sufficient liquidity to meet operational and benefit requirements.

Increase operating efficiency by utilizing modern management techniques.

Offer assistance to the members of the teachers' profession as required.

◦ACHIEVEMENTS

*Increased the total assets of the system by \$6,900,000.

*Increased the yield on total assets from 5.22% to 5.44%.

*Supervised the construction of an office building at 1500 6th Avenue, Helena.

*Implemented a new accounting system updating the accounting and record keeping methods. This system provides more information, speeds our operation considerably and will be completely operational by July 1971.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Assets	\$58,734,256	Increasing
Per centage yield on assets	5.44%	Increasing
Benefits paid	4,200,000	Increasing
Teachers requesting refund	1,657	Stable
Teacher's contributions refunded	1,200,000	Increasing
Membership	12,915	Increasing

GOVERNOR'S ANNUAL REPORT

Function ► **NATURAL RESOURCES & RECREATION**

_____ *Agency* _____ *Page* _____

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PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	NATURAL RESOURCES AND RECREATION	6
MAJOR PROGRAM AREA	▶	WILDLIFE, RECREATION	4/5
ADMINISTERING AGENCY	▶	FISH AND GAME DEPARTMENT	0680
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide for the conservation and effective management of wildlife and the preservation of State parks and recreational areas.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$1,009,609
01	Information and Education		406,513
02	Fisheries		957,782
03	Law Enforcement		1,045,244
04	Game Management		979,864
05	Recreation and Parks		881,266
06	Environmental Resources		108,848
▶	TOTAL		<u>\$5,389,126</u>

OVERVIEW

Public interest in the preservation of a quality environment reached unprecedented heights during the fiscal year. Because fish and game represent excellent environmental indicators, many interest groups are turning to the Department for assistance in evaluating the effect of their practices on wildlife and, consequently, on the environment. In response to this need for information and assistance, we created the Environmental Resources Program.

Planning and development is being conducted to strengthen our Administrative Program. More effective administration should result from this effort, permitting the various programs within the Department to function more smoothly.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Encourage or require that developing natural resource-orientated industries meaningfully cooperate with the State in maintaining environment quality.*

◻◻◻ During a time when the general public is extremely aware of environmental quality, it is essential that new development, particularly in the area of natural resource harvesting, do all it can to honor the existing environment. To date, much of the opposition toward new development stems from the fact that the existing environment has been readily sacrificed in the past. This is neither necessary nor desirable. Development can be compatible with an area's existing ecology. However, to be compatible, the ingredients contributing to a quality environment must be identified and understood.

2. Funds should be appropriated for the purpose of acquiring game ranges, waterfowl areas, hunting accesses and wildlife management areas as purchase conditions and availability status dictate.

ooo The future of wildlife and hunting-type recreation is almost completely dependent upon the acquisition of lands for that specific purpose. For a species such as elk, the reservation of suitable wintering (and, to some degree, summering areas) is not possible on "multiple-use" lands (i.e. National Forests) or privately-owned lands where such uses as grazing, logging or mining are major operations.

3. Protection and management programs necessary to prevent abuse of land, soil and water and wildlife populations on State-owned lands administered by the Department should be provided.

ooo Complete control of human use and activities is necessary on such lands if maximum recreational values are to be realized. Uncontrolled use of motorized vehicles can be a harassment factor to certain big game during the calving period, or at times of additional stress such as deep or crusted snow.

4. Require weed control agencies to demonstrate actual need for weed control programs on lands administered by the Department.

ooo In most instances, when the Department takes control of a given piece of land it often follows an extended period of over-grazing. With removal of livestock (or cessation of farming operations) there is usually an accelerated growth of weedy plants. With continued absence of livestock (or farming) the weedy vegetation is replaced with desirable vegetation, eliminating the need for weed control measures. It has also been observed that many of the weed control programs are an annual operation on the same sites. It would be desirable to allow natural plant succession to run its course on the lands in question. This would be a more economical approach.

5. Create a boat and water safety sub-program with a full time supervisor and a staff of summer-time employees.

ooo This program is needed to meet the growing need and responsibility imposed by increased use of water based sports. A new Federal boating law is now in Congress which will cost share up to 75 per cent for qualified State boat and water safety programs. This funding will assist with this new and much needed program. There will be approximately \$30,000 available to us from Federal Aid under the new proposed law. There will be approximately \$15,000 available from the State boat registration fees for matching funds.

6. An additional \$120,000 should be appropriated to hire six new wardens for recreation patrol.

ooo The demand for recreation potential is increasing at a tremendous rate. Experts estimate the population will double in thirty-five years, and the demand for recreation will triple during this time. This demand is not entirely fishing and hunting but for picnicking, photography, sightseeing, camping, rockhounding, sketching, hiking and many other diversified forms of recreation.

7. An annual General Fund appropriation of \$500,000 should be made available for operation and maintenance of the Recreation and Parks Program.

ooo It is felt that this program is falling short of its goals in two major areas: acquisition and development of new public outdoor recreation areas; and implementation of a program for the preservation

of historic sites. If the necessary General Fund appropriation is made available to administer the present recreation sites in the system, funds from other sources and earned income would be available for a modest expansion. Federal funds, on a 50-50 matching basis, are available from the Land and Water Conservation Fund for the acquisition and development of new outdoor recreation areas. Current information would indicate about a ten per cent increase in use of the present recreation facilities over the 1969 season. An investment in expansion of the recreation and park system is a necessity if Montana is to accomodate this ever-increasing use.

8. Two additional personnel are needed to up-grade our present magazine, which should be a full-color magazine stressing Montana's outdoor recreation and wildlife.

◦◦◦ A quality magazine would better inform Montana's people of the goals of the State in recreation and wildlife management. The publication should be published at least six times per year on a paid subscription basis.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION Cost \$1,009,609

◦GOALS

Provide effective administrative services to assist all programs of the Department in the achievement of their goals and objectives.

◦OBJECTIVES

Develop and maintain a more effective administrative services program to provide maximum support to other programs within the Department; establish an effective property accountability system in each District and in the various warehouses; upgrade the claims processing section to maximize its effectiveness; continue to maintain a high standard of maintenance and operation of the motor vehicle shop; develop and maintain an effective personnel section to provide division chiefs with the most qualified personnel available; provide services for maintaining an adequate fiscal and budgeting program; further upgrade the Special Hunting Permit Program to add efficiencies and accuracy, decreasing the program preparation and computer running time to a minimum; and develop and implement an effective property records system in the Headquarters Office, utilizing a machines system for departmental property control.

◦ACHIEVEMENTS

*A new license accounting system was implemented which utilizes an "accounts receivable" principle. This system permits the Department to maintain current individual dealer accounts which was not possible in the past.

*With Federal funding provided, we have managed to effectively operate our motor vehicles at a minimal cost to the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Special permit applications processed	12,299	Increasing
Permits granted:		
Moose	675	Stable
Goat	651	Stable
Sheep	117	Stable
Antelope	20,650	Stable

PROGRAM ► INFORMATION AND EDUCATION Cost \$406,513

◦GOALS

Inform and educate the general public regarding all matters concerning fish and game in Montana.

◦OBJECTIVES

Provide information to the public regarding environmental conservation, land-owner sportsman relationships, preventive law enforcement, hunter and boating safety, outdoor recreation, and all other areas concerning fish and game within the State.

◦ACHIEVEMENTS

*Approximately 800 news releases were mailed to newspapers, TV and radio stations, sports writers, legislators and other important sources each week. These releases cover many newsworthy topics such as opening dates, special regulations, land acquisition and actions taken by the Montana Fish and Game Commission.

*We have been very active in the audio-visual branch of the news media. A film library provides, free of charge, from 60 to 70 color, 16mm sound films to schools and organized groups within the State of Montana. This program produces also several conservation-orientated 16mm color films within its own facilities. One of these films, "Winter Range," won second place in the Outdoor Writer's Association film contest.

*A 10' x 50' mobile home, purchased by the Department, will be used for wildlife conservation education throughout the State. At the present time, an exhibit stressing important wildlife management principles is being installed in the trailer.

*The hunter safety program, administered by the Department and taught by volunteer instructors, provided instruction in the safe handling of firearms to over 70,000 students.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Public inquiries answered	65,000	Increasing
Hunter safety students processed	70,000	Increasing
News releases mailed	41,600	Varies

PROGRAM ► FISHERIES Cost \$957,782

◦GOALS

Provide effective management of Montana's aquatic resources in order to perpetuate a broad spectrum of natural habitat and biota and to preserve and increase fishing opportunities.

◦OBJECTIVES

Maintain the high-quality fishing that is presently found in Montana and to preserve as much natural aquatic flora and fauna as possible for future generations.

◦ACHIEVEMENTS

*The Yellowtail Dam, combined with our efforts, has transformed a silt-laden, warm water river into one of the nation's top trout waters. This year, the average trout caught in the Bighorn River was two pounds; five to six pounders were common and an occasional 12-pound "lunker" was caught. About two-thirds of the fish creel are rainbow trout and most of these originate from plants by the Department. The balance are brown trout which spawn in the feeder streams. Netting by department personnel in the reservoir formed by Yellowtail Dam disclosed abundant walleye resulting from plants by the Department.

*The eight State fish hatcheries stocked over 9.25 million fish (rainbow trout, cutthroat trout, brook trout, kokanee, coho and grayling) in Montana waters.

*The Montana Fish and Game Commission cooperated with the U. S. Geological Survey in publishing a book entitled, "Temperature of Surface Waters in Montana". This is a compilation of all available surface water temperature data through 1965.

*A dynamic fisheries activity during the year was the chemical treatment of lakes with short-lived fish toxicants to eliminate unwanted fish and allow restocking with desirable species. This was done at Lake Abundance on the Beartooth Plateau to prevent the spread of lake chubs. The lake will be restocked with Lamar Drainage cutthroat trout in the summer of 1970. Eureka Reservoir near Choteau was chemically treated to reduce the sucker population and replanted with rainbow fingerlings in April 1970.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Fishing license sales	\$272,046	Increasing
Rough fish harvested (pounds)	825,092	Decreasing
Fish plants.		
Washoe Park Trout Hatchery	538,088	Varies
Jocko River Trout Hatchery	196,978	Varies
Giant Springs Trout Hatchery	509,659	Varies
Big Springs Trout Hatchery	1,760,946	Varies
Yellowstone River Trout Hatchery	130,562	Varies
Bluewater Spring Trout Hatchery	1,039,021	Varies
Libby Creek Trout Hatchery	260,865	Varies
Flathead Lake Salmon Hatchery	4,817,775	Varies

PROGRAM ► LAW ENFORCEMENT Cost \$1,045,244**◦GOALS**

Provide effective enforcement of Montana's Fish and Game Laws and Regulations.

◦OBJECTIVES

Protect fish and wildlife resources and their habitat from willful or negligent destruction by attaining an acceptable level of compliance to regulations and laws relating to fish, game, parks and recreation; assist with the collection of biological and management information; disseminate knowledge and information about fish and wildlife resources, regulations and management to increase public understanding and cooperation in the sound utilization and conservation of these resources; promote hunting and fishing access for the public when possible; recognize the interest of those who derive their livelihood, pleasure or recreation from the fish and wildlife; cooperate with and encourage cooperation among the agencies, groups and individuals concerned with laws respecting wildlife resources; assist the people responsible for fish and wildlife management in every way possible to accomplish the department's overall objectives; and promote hunter safety, and boating and water safety for public protection and enjoyment.

◦ACHIEVEMENTS

*The Courtesy Citation was developed and implemented at the suggestion of the Fish and Game Commission to handle the minor fish and game law infractions. The Courtesy Citation was very badly needed as there was an area in Fish and Game law enforcement where a Notice to Appear and Complaint was not justified. However, a warden was hesitant to do what he considered a compromise of a case, out of court, as this was against his oath of office. The Courtesy Citation filled this gap by relieving the conscience of the officer and serving justice at the same time.

*A new license accounting system was implemented on an "accounts receivable" principle. With this system, the Law Enforcement Division is current with each of the 626 individual dealer accounts and can ascertain the status of any account immediately. This is contrasted by the prior system where a three to four month lag made it impossible to determine the status of an account.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Creel checks	32,126	Increasing	Inspections (game farm, fish pond, outfitters, etc.)	919	Increasing
Game bag checks	19,096	Increasing	Days spent on administration department lands	424	Increasing
License dealer checks	6,456	Increasing	Trips: game or bid census	171	Increasing
NTA & C forms issued	2,379	Increasing	Days trapping and/or transplanting	338	Increasing
Courtesy citations issued	498	Increasing	Trips: fish planting	197	Increasing
Sportsmen meetings attended	314	Increasing	Biological specimens collected	281	Increasing
Speeches given	173	Increasing	Days spent on game damage control	1,409	Increasing
Training courses conducted	89	Increasing			
Days on hunter and water safety	597	Increasing			

PROGRAM ► GAME MANAGEMENT Cost \$979,864**◦GOALS**

Provide an effective and continuing inventory, investigation and research of Montana's wildlife resource to maintain its recreational, economic and ecological values.

°OBJECTIVES

Produce and maintain a maximum breeding stock of game species on all suitable lands in Montana and utilize the annual crops produced by this stock through recreational use.

Acquire, develop and maintain key areas of wildlife habitat in a manner which will benefit wildlife species and contribute to the recreational, economic and educational needs of people in Montana.

Conduct wildlife habitat studies, harvest surveys and wildlife research as necessary throughout the State to provide biological information for scientific game management and for any other program that perpetuates Montana's wildlife resource.

°ACHIEVEMENTS

*Necessary development and maintenance operations were performed to benefit wildlife on more than 130,000 acres of game range lands and 24,000 acres of waterfowl habitat

*More than \$24,000 was paid to Montana counties for payments in lieu of taxes for the deeded game management areas owned by the Fish and Game Commission.

*The Beartooth Game Range, totaling 27,000 acres of deeded land, located in the Cottonwood Creek and Elkhorn Creek drainages of Lewis and Clark and Cascade Counties, were acquired at a cost of \$783,750. Federal Aid Wildlife Restoration participation in this project amounted to \$587,812.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Game harvested		
Big game	132,000	Increasing
Game birds	440,000	Increasing
Ducks	204,800	Increasing
Geese	12,000	Increasing
Land development.		
Game range land (acres)	130,000	Varies
Waterfowl habitat (acres)	24,000	Varies
Fence installed (miles)	300	Varies
Roads (miles)	111	Varies
Trails and firebreaks (miles)	76	Varies
Cultivated land (acres)	4,000	Varies
Buildings	100	Varies

PROGRAM ► RECREATION AND PARKS..... Cost \$881,266

°GOALS

Conserve the scenic, historic, archeologic, scientific and recreational resources of the State and provide for their use and enjoyment in order that they may contribute to the cultural, recreational and economic life of the people of Montana.

°OBJECTIVES

Acquire, restore and preserve for the State those areas, sites or objects which should be held, improved and maintained as State parks, State recreation areas, State monuments and fishing access sites.

◦ACHIEVEMENTS

- *Twelve fishing access sites and two recreational sites were added to the State recreation and parks system.
- *Acquired 617 acres by purchase at a cost of \$245,840. In addition, 140 acres were donated to the system for administration and 1,052 acres were acquired by easement, lease or agreement.
- *Under the Administration of the Land and Water Conservation Fund 18 local projects were approved for a expenditure of almost \$824,000, and eleven State projects approved for a total of about \$209,000. There was a total of \$435,000 federal money available in this fund at the end of the fiscal year. The state-wide Outdoor Recreation Plan was updated and approved for participation in the program until August 1972.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Land purchase (acres)	617	Varies
Land donated (acres)	140	Varies
Land acquired by easement (acres)	1,052	Varies
Projects approved	18	Varies

PROGRAM ► ENVIRONMENTAL RESOURCES Cost \$108.848

◦GOALS

Provide for effective protection and enhancement of habitat that produces wildlife.

◦OBJECTIVES

- Assure that development in the area of natural resources proceeds compatibly with the existing fish and wildlife resources.
- Assure that effective habitat improvement features are utilized when the opportunity to do so presents itself.

◦ACHIEVEMENTS

- *This program put the first ecological planning team into the field to design a planning procedure to meet the needs of Montana’s fish and wildlife resources.
- *In the area of mine development and strip mine reclamation, advice and information has been given upon request to various mining firms contemplating development. In the case of the proposed development at Lincoln, an environmental study was designed to assist the industry in making its development as ecologically compatible as possible. Upon final completion of contracts for work on this problem, this agreement will represent a landmark in industry and State cooperation to preserve environmental quality.
- *Fish and Game biologists continued to augment the staff of engineers from the Board of Health, aiding in water pollution control. This permitted Montana’s water pollution control effort to proceed under the full-team approach, and provided assistance to the Board of Health in meeting the demand for cleaner water.
- *Initiated the State’s first ecological planning unit.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	➤	NATURAL RESOURCES AND RECREATION	6
MAJOR PROGRAM AREA	➤	FOREST	1
ADMINISTERING AGENCY	➤	STATE FORESTER	0480
Administering Agency's PRINCIPAL GOAL(S)	Provide effective forest management for State lands; fire protection for State and privately owned forest and range lands; and a Cooperative Forest Management Program for privately owned forest land.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Department Operations		\$ 139,452
01	Forest Management		342,099
02	Forest and Range Fire Protection		744,883
03	Institution Forestry Work		38,829
➤	TOTAL		<u>\$1,265,263</u>

OVERVIEW

Major accomplishments during the fiscal year were in Forest and Range Fire Protection. A system, through which all rural lands in Montana are protected from fire, is rapidly being developed. All of Montana west of the Continental Divide is now protected and fourteen counties east of the Divide are in the program. Several others are anxious to come into the program as soon as we can expand to accomodate them.

The timber management program for the State forest lands has continued to improve. Recommended investments in timber stand improvement on State forest lands, as an excellent long range program, will continue to pay off in the long run in both increased revenue to the State's school funds and in high satisfaction to the people of Montana as owners of these lands.

The Cooperative Forest Management Program of cooperation between the State, Federal, and private land owners has continued to increase. These increased demands are in soft wood production, rural area development and housing needs which in turn are reflected in increased demand for assistance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. An increased appropriation of \$297,627 should be made for the purpose of meeting the expanding Forest and Fire Range Protection responsibilities.

◦◦◦ The State of Montana must continue to meet its responsibilities in fire control, which directly and indirectly affect all Montanans, and the renewable natural resources on both State and privately owned forest, range and wild lands.

2. *The addition of a forest entomologist, a soils scientist, a forest engineer, a landscape architect and a hydrologist to the State Forester's staff must be approved to assure multiple use management of State lands, as required by law.*

◦◦◦ As the value of our forest lands increase, not only for timber production, but for the production of abundant pure clean water and outdoor recreational uses of all kinds, and as the public becomes more critical of the management practices related to state forest lands, it is vital that multiple use management program specialists in certain fields be employed to advise and assist foresters. These positions would also be used extensively in the Cooperative Forest Management Program to advise and assist the farmer and rancher forest land owners, meet and solve their forest problems.

ANALYSIS OF PROGRAMS

PROGRAM ► DEPARTMENT OPERATIONS..... Cost \$139,452

◦GOALS

Provide assistance to increase program efficiency and furnish adequate statistical information to permit effective management decision making.

◦OBJECTIVES

- Integrate all program planning and financial support.
- Direct the use of real estate, equipment, and manpower in a coordinated manner.
- Maintain records and provide needed reports to assure that the State Forestry Department operates smoothly.

◦ACHIEVEMENTS

- A central Warehouse for storing items during off season and a place from which use of many items can be scheduled was placed in operation during the fiscal year.
- The clerical force was consolidated for more efficient functioning, which permitted more claims to be processed with the same clerical force.
- Much work toward converting accounting procedures to automatic data processing was completed and equipment was installed during the fiscal year anticipating the future change-over.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Claims processed	2,290	Increasing

PROGRAM ► FOREST MANAGEMENT.....Cost \$342,099

◦GOALS

Provide effective multiple use management of all State forest lands to furnish a sustained maximum income to the State School Fund and other trust funds, assist State landowners and associated groups in land management and provide other worthy objects helpful to the well being of the people of the State.

◦OBJECTIVES

Each year remove the current forest growth (plus mortality) in such manner that the residual stands will remain in a thrifty, productive or reproducing condition; employ cutting practices which will remove mature and overmature timber on a silviculturally sound basis to provide for regeneration; improve the productivity and composition of young stands of timber; reforest non-stocked forest lands; salvage fire-killed, downed and insect timber as losses occur; promote expansion of timber industry by raising productivity of State forest lands; maintain and improve the productivity of privately owned timber lands; integrate the management of these lands with other farm crop lands; and maintain a continuous flow of raw forest products to stabilize industry; and provide for multiple uses of State owned land, such as grazing, recreation and water production.

◦ACHIEVEMENTS

*More than 150,875 seedling trees from the State Forest Nursery were planted on 581 acres of State Forest land and three hundred fifty acres were thinned. Seed beds prepared for natural reseeding totaled 1,873 acres.

*A substantial amount of timber (28,219,062 board feet) was cut during the year, which yielded \$813,421 to the State School Fund.

*During the year, 14,602 bales of Christmas trees sold from State forest lands brought \$12,637 to School Funds. Special uses, such as grazing and summer homes, brought \$31,886 to the State. Over 6,750 cords of dead material and cull green material was salvaged as pulpwood—an operation that is expected to expand.

*The State Forester's Timber Appraisal Guide was revised to more accurately reflect true selling values.

*In the area of private forest land management, 521 requests for forestry assistance were received by the service foresters, and 494 were serviced; assisted landowners in selling nearly 3 million (2,987,000) board feet of lumber for a return of \$66,234; assisted in the development of acceptable sawmill teepee burner standards; and conducted five management workshops for wood processors which were attended by 144 operators.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>	<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Number of private forest owners receiving assistance	931	Increasing	Acres of seed bed prepared	1,873	Increasing
Forest tree nursery production (seedlings)	1,421,050	Increasing	Amount of timber cut (board feet)	28,219,002	Increasing
Christmas tree sale income (school fund)	\$12,637	Varies	Number of seedlings planted	150,875	Increasing
Grazing and summer home fee income (school fund)	\$31,887	Increasing	Cords of dead material salvaged	6,750	Varies
Acres planted	581	Increasing	Acres thinned	350	Increasing

PROGRAM ► FOREST AND RANGE FIRE PROTECTION.....Cost \$744,883

°GOALS

Provide economical, efficient and acceptable protection from fire damage to the State and privately owned land resources.

°OBJECTIVES

Through use of effective fire prevention programs, prevent many fires as possible by reducing risks and hazards.

Provide, as rapidly as possible, adequate organized forest fire control to all State and privately owned forest and related watershed lands within the State.

°ACHIEVEMENTS

- *As headquarters for an organization having state-wide responsibilities for forest fire control on State and private lands, the development of the Fire Coordination Center in the State Forester’s Office is a major achievement. This Center provides fire control management with a complete picture of the fire situation at all times.
- *The State Forestry took over all forest fire protection responsibilities of the Northern Montana Forestry Association.
- *An Aerial Fire Detection System was implemented and found to be more economical, through means of providing fire detection, over the vast amount of land under the protection of this agency.
- *Fire fighting teams, primarily for use in areas of State Forestry responsibility but available through the State Forester to other agencies in emergency, were developed, trained and equipped at both the Swan River Youth Forest Camp and the Montana State Prison.
- *The Bridger Forest Fire Protection District near Bozeman was formed to provide high level fire protection to an additional 56,940 acres of private land.
- *Fourteen counties signed a cooperative agreement with the State Forester as part of the state-wide fire protection program. This agreement amounts to 1.5 million acres of classified forest land out of approximately 5 million acres total.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Additional acres covered by high level fire protection	56,940	Increasing
Number of counties signed under the state fire protection program	14	Increasing
Acres of classified forest land under county programs	1,500,000	Increasing

PROGRAM ► INSTITUTION FORESTRY WORK.....Cost \$ 38,829

°GOALS

Assist in rehabilitating juvenile delinquents through a program of work experience to improve the State forest lands and other capital property under the charge of the State Forester.

OBJECTIVES

Encourage members of the Youth Camp to learn good work habits and thus contribute to their rehabilitation as members of our society; to effectively use the various tools used in woods work; and to accomplish desirable work programs on State lands.

ACHIEVEMENTS

*Twenty-two thousand seedling trees grown in the State Forestry Nursery in Missoula were planted by youth from the Camp on 400 acres of recently logged over land.

*Youth Camp crews continued a thinning project begun the year before, thinning a stand of overstocked Douglas.

*More than 400 fence rails and posts were cut, peeled and stacked for seasoning.

*A substantial number of manhours was expended in brushing out (clearing after winter snowfall bends trees over the road) approximately 300 miles of primary and secondary road on the Swan River State Forest.

*All members of the Youth Camp were trained as fire fighters. During the year thirty-two man-days were devoted to fire suppression training and 61 man-days were spent in actual suppression of fires.

*Two small campgrounds on the Swan River State Forest, were maintained and an effort was made to develop an area to be used by Camp personnel. The Sperry Grade Station and grounds located on the Clearwater State Forest were also maintained by Youth Camp members. A major project was the maintenance of State Forestry Headquarters in the Swan River State Forest.

*Under State Forestry supervision, the Youth Forest Camp carpentry shop constructed "stations" for a "Braille Trail" to be used by blind children in studying trees and shrubs at the State School for the Deaf and Blind in Great Falls.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Seedling trees planted	22,000	Varies
Fire suppression mandays expended	61	Varies
Estimated value of carpenter projects	\$8,915	Varies
Mandays of thinning	246	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	NATURAL RESOURCES AND RECREATION	6
MAJOR PROGRAM AREA	▶	LAND	2
ADMINISTERING AGENCY	▶	GRASS CONSERVATION COMMISSION	1507
Administering Agency's PRINCIPAL GOAL(S)	Provide for the effective conservation, protection, restoration, and utilization of grass, forage and range resources in the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Grazing District Supervision		\$ 18,558
▶	TOTAL		<u>\$ 18,558</u>

OVERVIEW

Within the coming year, we intend to extend every effort to implement recommendations made by the Legislative Auditor.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

In our opinion, we are satisfactorily achieving the goals of this agency. Accordingly, we have no recommendations to facilitate the achievement of goals at this time.

ANALYSIS OF PROGRAMS

PROGRAM ▶ GRAZING DISTRICT SUPERVISION Cost \$ 18,558

◦ GOALS

Provide for the effective conservation, protection, restoration, and utilization of grass, forage and range resources in the State.

°OBJECTIVES

Introduce an improved bookkeeping system, stabilize and standardize revenue collection procedures and make a concerted effort to secure cooperative agreements with the Federal Bureau of Land Management.

Act in an advisory capacity with the State Department of Lands and Investments.

Supervise and coordinate the formation and operation of the various grazing districts incorporated under the State.

°ACHIEVEMENTS

*A publication titled "Grass Country" was published and made available to grazing district members and other interested persons.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Testimonial hearings attended	3	Varies

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	NATURAL RESOURCES AND RECREATION	6
MAJOR PROGRAM AREA	▶	LAND	4
ADMINISTERING AGENCY	▶	SOIL CONSERVATION COMMITTEE	0601
Administering Agency's PRINCIPAL GOAL(S)	Provide effective planning and assistance services in the areas of research, education, and technical and financial aid, through local Soil and Water Conservation District organizations to requesting individuals and groups.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$80,240
▶	TOTAL		<u>\$80,240</u>

OVERVIEW

The State Soil Conservation Committee and Soil and Water Conservation Districts programs were successful in: providing a quality environment; providing services to land occupiers, both rural and urban; individuals and groups; and planning wise land and water related resource use developments.

Of particular note is that private land occupiers and users and the public are demanding more services of Soil and Water Conservation Districts. We sincerely recommend that the State Soil Conservation Committee appropriations necessary to assist Soil and Water Conservation Districts are sufficient to permit us to develop an effective program which will develop an optimum quality working environment within the State.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *An additional appropriation of \$10,000 annually is requested to enable committee members and the executive secretary to meet the demands and requests being made by districts and various organizations for planning and other assistance.*

ooo The State Soil Conservation Committee and Soil and Water Conservation Districts represent and work in a broad area of natural resource development. More time and effort is necessary to conduct studies, make reports, provide guidelines, attend meetings, to accomodate and assist to implement a variety of resource development activities of State and federal government and private organizations in which the State Soil Conservation Committee and Soil and Water Conservation Districts have responsibility.

2. An annual appropriation of \$4,500 should be added to this program to maintain the present planning effort.

ooo This amount represents increased costs of salary increases for people employed in this program.

3. An annual appropriation of \$23,500 is requested to hire a coordinator and secretarial help, and provide supplies and expenses to implement a State Rangeland Resource Plan.

ooo A great potential exists in Montana for economic development by improving on an abundant natural resource—Montana's vast range and grasslands. State and federal conservation agencies, livestock groups, conservation districts, planning agencies, and the Council of Natural Resources and Development are very enthusiastic at the prospects this plan offers. The plan will provide coordination requested by these groups to accelerate present efforts which will result in more forage for livestock, better habitat for wildlife, erosion control, pollution abatement, community development, improved environment, and more money remaining in the State.

4. The name of the State Soil Conservation Committee should be changed to State Conservation Commission.

ooo Soil and Water Conservation District Supervisors recognize the desirability to change the name of the State Soil Conservation Committee. The word "Commission" denotes permanence which is more characteristic of this agency and its functions.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$ 80,240

°GOALS

Provide effective planning and assistance services in the areas of research, education, and technical and financial aid, through local Soil and Water Conservation District organizations to requesting individuals and groups.

°OBJECTIVES

Organize, supervise and provide effective assistance to Soil and Water Conservation Districts; provide effective conservation of soil and water resources of this State to control and prevent soil erosion and floodwater and sediment damages; further the conservation, development, utilization and disposal of water; preserve natural resources; prevent impairment of dams and reservoirs; preserve wildlife; protect the tax base; protect public lands; and protect and promote the health, safety and general welfare of the people of this State.

°ACHIEVEMENTS

*Conducted six very successful workshops for Soil and Water Conservation District supervisors, which resulted in an improved budgeting system in county governments, integrating land capability studies with City/County planning and broadening the District program to recognize it's contribution to quality environment and pollution control.

*Conducted hearings and referendums and approved the addition of ten cities and towns, bringing to 46 the number of cities and towns included in districts.

*A special project area was established in Chouteau County Soil and Water Conservation District for Alkali control.

*Provided leadership for the development of a State rangeland resource plan.

*Two watershed applications were received and approved for planning.

*As a result of carrying out regularly assigned duties, services were provided to Soil and Water Conservation Districts under whose programs Montana people invested nearly \$12 million in land and water improvements, representing a variety of practices.

*The City of Shelby Watershed in Toole County was completed. Construction activities continued on the Cedar Creek Watershed in Flathead County and construction work began on the Sidney Water Users Association in Richland County. Design Surveys were completed on the multiple purpose reservoir in the Beaver Creek Watershed in Hill County, and similar surveys were initiated on Mill Ditch in the Big Spring Creek Watershed in Fergus County.

*The State Soil Conservation Committee approved applications on the Wolf Creek Watershed in Fergus and Judith Basin Counties and the Beaver Creek Watershed in Wibaux County.

*Planning activities continued on the Newlan Creek Watershed in Meagher County and the completed plan is now with the Public Works Committee of the Congress for their resolution of approval. Additional planning was concentrated in Carbon Hills Watershed in Custer County, the City of Browning Watershed in Glacier County and the Baker Lake Watershed in Fallon County. A significant amount of planning effort was also devoted to the Lower Deer Creek Watershed in Sweetgrass County and the Whitefish Lake Watershed in Flathead County.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Districts assisted	58	Stable
Acres of private land assisted	41,987,127	Stable
Workshops conducted	6	Varies
Watershed applications processed	57	Increasing
City/Towns added to districts	10	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	NATURAL RESOURCES AND RECREATION	6
MAJOR PROGRAM AREA	▶	WATER	3
ADMINISTERING AGENCY	▶	WATER RESOURCES BOARD	0682
Administering Agency's PRINCIPAL GOAL(S)	Assure the maximum utilization of and benefits from the State's Water Resources.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$164,860
01	Engineering		259,704
02	Water Resources		292,287
03	Planning		224,058
04	Council on Natural Resources and Development		13,022
05	River Basins Commissions		35,425
▶	TOTAL		<u>\$989,356</u>

OVERVIEW

In our effort to protect, conserve and develop the water resources of this State to the optimum benefit of its residents, we initiated new programs, reorganized active projects and maintained existing services. We must maintain a continual effort to restore, conserve and make beneficial use of the water resources in Montana, to prevent its pollution and misuse by our citizens and protect against the possible allocation of Montana waters to other states.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated for the purpose of providing adequate salary adjustments to employees.*

ooo A minimum 8 per cent cost of living increase should be given to all employees the first year of the biennium, and a 7 per cent increase for the second year. In addition, the Director should have a 4 per cent merit budget available to him for each year of the biennium. This would allow him to provide deserving employees merit salary increases. Basic to the merit budget would be a sound and effective performance evaluation system which has already been initiated for the Montana Water Resources Board.

2. *An additional annual appropriation of \$19,945 (for four years) should be made to finance the development of an "operations" model of the Montana State Water Resources Board network of reservoirs and canals.*

ooo The "operations" model of the State network will provide an effective management tool to the Board to aid in controlling water resources.

3. *An appropriation of \$168,000 should be made to fund the development of recreational areas to be located on 12 reservoirs throughout the State.*

ooo The developments will be of long-range nature. Potential recreational areas will be restricted to availability of land and proximity to traffic patterns. Some items will be designed from an economic standpoint and in future years be completed (such as final hard surfacing on roads).

4. *An appropriation of \$253,000 should be made to provide financial assistance to the Sidney Construction Project.*

ooo Reorganization of this project has advanced to the letting of contracts for construction. Because of inflationary costs and redesigning, it is anticipated that although 50 per cent of the costs are paid by the Federal Government, the project will require additional funds to pay its share of the construction costs. The funds probably can be borrowed from the FHA, but to alleviate a high cost of water per acre, the project has requested that the Board apply to the legislature for the needed appropriation.

5. *An appropriation of \$47,000 should be made for the purpose of building new bridges to replace existing ones.*

ooo After many years of service, at least two bridges have now deteriorated to the extent that it would be more economical to build new ones than continue to repair the existing bridges.

6. *An appropriation of \$495,000 should be made for the purpose of providing and replacing inadequate water control facilities throughout the State.*

ooo Repairs and additional water control facilities are needed in the following areas: a new gate for the outlet works at the Nevada Creek Dam; repairs to the spillway on the Middle Creek Dam; repairs to correct seepage on the Marsall Canal; replacement of the flume on the Columbus Canal; and a concrete lining of the spillway channel at Cooney Reservoir.

7. *An appropriation of \$83,000 should be made for the purpose of rebuilding inactive projects.*

ooo Inactive projects consist of assisting in the development of the Little Dry Creek project near Jordan and much needed repairs to the North Winifred Dam and emergency spillway.

8. *An appropriation of \$325,000 should be made to assist in the development of the Clear Creek Recreation Dam and Reservoir near Glendive.*

ooo This project is to be jointly financed with the Fish and Game Department and the Montana Highway commission. The primary purpose for construction of this dam would be for the recreational development around the resulting lake. Because of its close proximity to the Yellowstone River, very little flood protection and/or irrigation would result in the immediate future.

9. *An appropriation of \$101,000 should be made to provide maintenance and repairs on water control project facilities.*

ooo Maintenance and repairs include painting the gate control houses and headgate controls, removing trees and brush from the slopes of the dams, cleaning of debris from upstream faces of dams and emergency spillways, placing rock riprap to protect scouring around structures, repair of deteriorated concrete structures, walkway and railing repairs, installation of danger warning signs, general clean-up and other special jobs as required.

10. *A total of \$26,419 should be appropriated to provide safety inspections and related safety equipment.*

ooo These funds will be utilized to provide a thorough inspection of the diversion dam structure near Toston and for the purchase and installation of safety barriers and fences to prevent accidents to visitors.

11. *An appropriation of \$136,155 should be made to permit the Board to continue existing projects.*

◦◦◦ These funds will be used to: repair and maintain stream flow collection data stations; install new stream flow data collection stations to provide a more concentrated water data collection network; and install a new cableway across the Ruby River, which is needed to continue the effective collection of stream flow data.

12. *Seven districts should be established by the Legislature for the purpose of updating all counties and keeping them current, since the present method is outdated.*

◦◦◦ Districts are the best way to keep county surveys up-to-date and accurate. The present method is a continuous cycle of updating county surveys. By utilizing other existing State agency districts the need for districts would be fulfilled and also provide proper service to the citizens of Montana.

13. *A permit system for ground water utilization should be introduced and implemented.*

◦◦◦ This would enable the State to properly evaluate existing groundwater availability and establish a basis for future planning needs. Many of the present groundwater problems could be avoided with the use of a permit system, simply by denying a permit in an area where there is no water available or there is a possibility of uncontrollable pollution.

14. *An appropriation of \$12,605 annually for two years should be made to permit the operation of computer models of water resource systems, staff development, and provide a more effective water quality program.*

◦◦◦ Three mathematical computer models of river basin systems are currently being developed for use in water resources development planning. Full utilization of these models in analyzing and developing alternate solutions will require the assistance of a systems analyst who will also be required to establish programs for reservoir operating procedures, flood routing to minimize damages, water rights file management, financial and budgetary control systems and training of personnel.

ANALYSIS OF PROGRAMS

PROGRAM ► ADMINISTRATION..... Cost \$164,860

◦GOALS

Provide increased efficiency in administrative operations.

◦OBJECTIVES

Develop and maintain an employee recruitment program appropriate for all divisions and positions, develop methods of holding competent employees by providing measures to enhance job satisfaction; update and provide for more efficient fiscal procedures; and provide for an orderly system of records, storage and retrieval and to develop proper methods of disseminating public information.

◦ACHIEVEMENTS

*Proper personnel records have been established; accurate job descriptions have been written; an employee performance evaluation program is in effect; basic microfilm equipment has been purchased for records management purposes; and a complete review of fiscal procedures has been initiated.

*Major achievements were accomplished in the area of general management, in which a five-part internal management program was initiated. An organization chart was established showing the structure of the Montana Water Resources Board with emphasis on proper departmentation, assignment of activities depicting line and staff supervisor-subordinate relationships; establishment of accurate job descriptions; an employee performance evaluation program; a job evaluation program; and an internal management program.

PERFORMANCE INDICATORS

FACTOR	QUANTITY	TREND
Job descriptions established	13	Increasing
Personnel record jackets developed	65	Increasing

PROGRAM ► ENGINEERING..... Cost \$259,704

◦GOALS

Provide accurate, professional surveys and detailed feasibility reports for all Board projects.

◦OBJECTIVES

Supply quality assistance to the reorganization of existing Board projects.

Promote new water development projects.

◦ACHIEVEMENTS

*All design work has been completed this year and construction started on the Careless Creek drop structure associated with the Deadman's Project. The preliminary design on three structures to be built on the Daly Ditch system in Hamilton, Montana was completed and turned over to the Soil Conservation Service for development of detailed design, plans and specifications.

*The replacement of a badly deteriorated drop structure into Careless Creek and the placing of rock riprap at the river diversion dam were the major programs on the Deadman's Project.

*A canal headgate structure at the river diversion for the Ackley Lake Canal 4 was constructed. This structure was originally wood and is being replaced with a concrete headwall and steel gate.

*The United States Geological Survey and the Montana Water Resources Board worked together in a cooperative program which included the collection of stream flow data, low and peak flow data, monthly reservoir storage data, miscellaneous measurements, Yellowstone River Compact Commission data, and furnishing stream flow data on magnetic tapes. Approximately 104 data collection stations and \$58,000 were involved in the above work during the year.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Preliminary surveys initiated	2	Varies
Stream flow stations operated	47	Increasing

PROGRAM ► WATER RESOURCES..... Cost \$292,287**◦GOALS**

Protect and utilize ground water to realize the greatest benefit for Montana.

◦OBJECTIVES

Develop a complete and current inventory and utilization summary of all surface rights.

◦ACHIEVEMENTS

*The program was expanded and accelerated to increase the number of county surveys made and county reports published in conjunction with the State Water Plan. The expansion included the hiring and training of a number of new fieldmen and draftsmen.

*Numerous Water Resources Surveys were completed and reports published for the five counties of Liberty, Toole, Glacier, Mineral, and Sanders. Surveys were completed in Prairie, Dawson and Richland Counties.

*A continuing comprehensive inventory of the State's ground-water resources was greatly accelerated. The inventory is made on a county by county basis, using data available on groundwater appropriation forms in the files of the Montana Water Resources Board and data from published reports. Inventories have been completed for Valley, Phillips, Blaine, Hill, Liberty, Toole, Glacier, Sanders, Mineral, and Prairie Counties..

*A very extensive report was prepared for the State Land Board concerning Anaconda Company's proposed Heddleston Mining District near Lincoln, Montana. As a result of several public hearings and three State agency reports on the area, the Board entered into a cooperative program with the U. S. Geological Survey to make an in-depth ground-water study of the area.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Groundwater appropriations received and cataloged	1,200	Increasing
County inventories completed	10	Varies

PROGRAM ► PLANNING..... Cost \$224,058**◦GOALS**

Provide an effective system of evaluating soils, topography and drainage of all land within the State into a land classification for the purpose of locating areas of potential irrigable land which may be considered for future irrigation.

◦OBJECTIVES

Formulate and adopt a comprehensive, coordinate multiple use water resources plan which will set out a progressive program for the conservation, development and utilization of the State's water resources, propose the most effective means by which these water resources may be applied for the benefit of the people, with due consideration of alternative uses.

◦ACHIEVEMENTS

*Approximately 85 per cent of the surface water and related land resources has now been inventoried and the data is being incorporated into the Montana Water Resources Data Center. This data center was enlarged over the past year to nine files.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Per cent of surface water and related land resources inventoried	85	Increasing
Files maintained in the data center	9	Increasing

PROGRAM ► COUNCIL ON NATURAL RESOURCES AND DEVELOPMENT Cost \$ 13,022

◦GOALS

Provide effective development, conservation and protection of the State's natural resources.

◦OBJECTIVES

Foster a more cooperative spirit and present a unified front in all areas of environmental concern and ecology protection. Assist the governor in his responsibility of giving complete and thorough investigation to all areas effecting the orderly and responsible development of this State's natural resources.

◦ACHIEVEMENTS

*A state water policy study is being conducted by a Council subcommittee which was appointed for the purpose of arriving at the drafting of a State Water Policy. The committee has suspended present meetings in lieu of the work being done by a similar committee on the Modern Water Code.

*A subcommittee was established and has compiled detailed information concerning the use and abuse of pesticides.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Major studies conducted	6	Varies

PROGRAM ► RIVER BASINS COMMISSIONS Cost \$ 35,425

◦GOALS

Provide accurate information collection and planning of water and related land resources for each river basin region.

◦OBJECTIVES

Plan for the optimum development and utilization of the region's water and related land resources to assure the greatest benefit to the people of the region and the Nation.

◦ACHIEVEMENTS

*A regional plan has been drafted for the Missouri River Basin and is being reviewed. Subregional plans for the Pacific Northwest River Basin Commission are nearing completion. Our active participation in these regional planning efforts has assured that Montana's interests, desires and needs have not been subordinated to other areas within the regions.

*The Council's work over the fiscal year concerned funding of water development projects, environmental quality, modernization of the 160-acre limitation of the Federal Reclamation Law, the Water Resources Planning Act of 1965 and the Western United States Reconnaissance Investigation. Work programs and charters for each committee were finalized during the year.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Regional planning projects in progress	2	Varies
Subregional planning projects completed	1	Varies
Subregional planning projects in progress	3	Varies

GOVERNOR'S ANNUAL REPORT

Function ► **PUBLIC SAFETY**

Agency _____ *Page* _____

<i>Adjutant General</i>	<i>347</i>
<i>Civil Defense</i>	<i>351</i>
<i>Highway Patrol</i>	<i>353</i>

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	PUBLIC SAFETY	7
MAJOR PROGRAM AREA	▶	MILITARY AND CIVIL DEFENSE	2
ADMINISTERING AGENCY	▶	ADJUTANT GENERAL	0801
Administering Agency's PRINCIPAL GOAL(S)	<p>Provide effectively trained and equipped National Guard units for State emergency duty in the protection of life and property; preservation of the peace; and maintenance of order and public safety.</p> <p>Provide effectively trained and equipped units to supplement the active Army and Air Force in times of national emergency.</p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	National Guard		\$ 452,017
▶	TOTAL		<u>\$ 452,017</u>

OVERVIEW

During the fiscal year no major organizational changes were made in our National Guard Units. Unit strengths remained close to that authorized for pay purposes and emphasis was placed on re-enlisting guardsmen with over six years service and on recruiting personnel with previous active duty experience.

The training status of the Montana National Guard has advanced significantly. Certain problem areas remain, however. These include the lack of funds for proper maintenance of our buildings and facilities, the lack of many items of modern equipment for training, the need for additional shops and armories and the disparity in salaries between our state employees and federal civil service employees.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be provided to obtain supplemental unit training areas either by purchase or lease.*

ooo There is a great need for training areas in the vicinity of armories where units can conduct practical exercises during weekend training assemblies. Attempts to attain Federal funds for purchasing or leasing such land have been fruitless. Use of State lands for this purpose would reduce this cost substantially.

2. An increased effort should be made to secure, from the Federal Government, more up to date training equipment for the Army National Guard.

◦◦◦ The National Guard has consistently operated with minimal amounts of training equipment which is either obsolete or substitute equipment. Some improvement is noted in this area but the requirement to obtain and maintain standards of readiness with substandard equipment is a major problem.

3. An annual appropriation of \$30,000 should be made to adequately maintain and provide security for existing Army National Guard facilities located throughout the State.

◦◦◦ Montana Army National Guard facilities represent a State and federal inventory approximating nine million dollars in land and buildings. Of this amount, the State has sole ownership of facilities totaling approximately six million dollars, to include armories, maintenance buildings and land. Upon accepting title to these facilities, the State incurs the responsibility to see that they are properly maintained and that security is adequate. In the past, the State has spent less than ½ of one per cent of the total building inventory values for building maintenance and capital improvements. The advancing age of some of these facilities makes costly repairs inevitable.

4. An appropriation of \$145,720 should be made to provide minor capital improvements to existing facilities.

◦◦◦ There are several minor capital improvement projects that must be made at a number of armories before they can qualify as complete facilities. In order of priority, these include: security fencing; concrete work; asphalt pavement; and landscaping.

5. An annual appropriation of \$29,000 should be made to fund adequate salary adjustments for National Guard employees.

◦◦◦ An undesirable situation exists with our State employees in regard to comparative salaries and wages. Many work side-by-side with Civil Service Technicians, performing similar work to equal standards but at less pay and with lower benefits. Although not unique in State government, this is a situation which deserves consideration.

6. An additional \$21,000 should be appropriated to finance the needed expansion of the Army Aviation Maintenance Facility located at the Helena Airport.

◦◦◦ This facility is scheduled to receive a substantial number of newer and larger aircraft from the active army during the next two year period. To adequately facilitate the increase of aircraft, additional land adjacent to the existing facility must be obtained for the purpose of providing a heliport and an aircraft parking and tiedown area that will meet National Guard Bureau criteria. If these basic requirements are not met, aircraft to be received by this facility will be drastically reduced. A reduction in aircraft of the type scheduled to be received would be extremely detrimental to the Army Aviation Program.

ANALYSIS OF PROGRAMS

PROGRAM ► NATIONAL GUARD Cost \$452,017

◦GOALS

Provide effectively trained and equipped National Guard units for State emergency duty in the protection of life and property; preservation of the peace; and maintenance of order and public safety.

Provide effectively trained and equipped units to supplement the active Army and Air Force in times of national emergency.

°OBJECTIVES

Provide an organization consisting of an Army National Guard and an Air National Guard with the highest state of readiness for emergencies that it is possible to attain within time and dollar limitations.

Provide effective training for approximately 3,400 troops through the use of weekend training assemblies, service schools and active duty training.

Emphasize the enlistment of already trained veterans to take advantage of their knowledge and increase the readiness level of our units. Provide effective military support to civil authorities in Civil Defense operations should need arise.

°ACHIEVEMENTS

*For the first time in many years, the entire 163rd Armored Cavalry Regiment was able to conduct their annual field training together at one time. This exercised the headquarters staff to a greater degree than ever before and allowed the Third Squadron from Oregon to become familiar with the regimental operating procedures.

*The Air National Guard continued to provide crews and aircraft on a 24-hour a day basis to accomplish their alert mission for the Aerospace Defense Command. Inspections of the 120th Fighter-Interceptor Group during the year indicated a very high state of readiness.

*Assisted the USFS, BLM and Glacier National Park Service in suppression of forest fires by loan of certain National Guard personnel and equipment.

*Established a military radio network between National Guard Headquarters at Helena, Bozeman, Kalispell, Sixth Army Headquarters in San Francisco and Adjutants General Headquarters of seven western states. This is extremely useful in coordinating efforts during national disasters and other emergencies.

*The Montana Military Academy trained seventeen cadets who were commissioned. Fifteen were commissioned in units of the Montana Army National Guard and two were trained for the U. S. Army Reserve.

*A policy was established and implemented, which authorized training equipment to be moved to, and retained at, home unit stations. The moving of this equipment afforded the unit and the individual National Guardsman an opportunity to become better trained and qualified and resulted in higher Inspector General Ratings and Annual Training Evaluations.

*Flew a total of 4,737 accident free hours.

*In the area of Military Support to Civil Authority, the National Guard accomplished the following achievements: participated in U. S. Department of Agriculture meeting on consumer marketing service problems on food management in a post-nuclear attack period; conducted a liaison visit to all U. S. Air Force Radar Sites in Montana to determine their capability to support civil defense in a recovery role in event of a nuclear attack on the United States; and developed and conducted "Exercise Slowpace" a civil defense exercise involving emergency operations staffs at State and District level, to determine if the emergency actions as written in the "Montana State Plan for Emergency Management of Resources" could be complied with at all levels within a given time frame; and developed and conducted Orbit Red III, a military exercise to test the capability of Montana military services to support civil defense in a nuclear attack environment.

*As a result Air National Guard's annual General Inspection, an overall Satisfactory Rating was awarded and the inspection team present 22 "Outstanding" ratings to various programs and operations.

*The Air National Guard received their first Aerospace Defense Command combined Operational Readiness (ORI)/Inspector General Inspection performed by a team from Headquarters, Aerospace Defense Command. The rating received was Satisfactory and comments in the report indicated that the operations performance is at an extremely high level.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Guardsmen receiving annual training:		
Army	2,617	Stable
Air	798	Stable
Military occupational speciality tests administered	187	Varies
Personnel actions accomplished	1,528	Increasing
Service school training provided:		
Officers	79	Varies
Enlisted men	8	Varies
Montana Military Academy Cadets graduated	17	Varies
Aircraft accident free hours flown:		
Army	4,737	Increasing
Air-Jet	5,551	Varies
Army supply transactions processed	50,100	Increasing
Overall Army aircraft operation availability (per cent)	85	Stable

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	PUBLIC SAFETY	7
MAJOR PROGRAM AREA	▶	MILITARY AND CIVIL DEFENSE	2
ADMINISTERING AGENCY	▶	CIVIL DEFENSE	0803
Administering Agency's PRINCIPAL GOAL(S)	Provide for the survival of Montana's population in the event of a nuclear attack.		
	Develop operational capability to assure the continuity of State and local governments in the event of enemy attack.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Civil Defense Coordination		\$301,125
▶	TOTAL		<u>\$301,125</u>

OVERVIEW

Our basic activities have been to prepare the populace of Montana to meet the worst possible conditions known to mankind—nuclear war. Our objective can be met by locating and stocking fallout shelters for the entire population of the State and organizing and training staffs to carry on continuity of government at the state and local level. Additional personnel are needed in the future, to insure the effective operation of this program.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds, (\$22,167) should be appropriated to employ a radiological defense officer and an administrative officer.*

ooo A radiological defense officer is needed to: provide leadership and direction to the radiological defense efforts of the State and local governments; maintain a state-wide, fixed monitoring station network; report and analyze radiation measurements for State and county governments; develop and maintain all records and control required by the U.S. Atomic Energy Commission and the State Health Department; and supervise the Maintenance and Calibration Program and the State Calibration shop.

An Administration Officer is needed to: prepare and review project applications; communicate with State agencies and the general public; supervise office personnel; provide fiscal and operational

accountability; serve as surplus officer; and prepare contracts for directly funded programs.

ANALYSIS OF PROGRAMS

PROGRAM ► CIVIL DEFENSE COORDINATION Cost \$ 301,125

◦ GOALS

Provide for the survival of Montana's population in the event of a nuclear attack.

Develop operational capability to assure the continuity of State and local governments in the event of enemy attack.

◦ OBJECTIVES

Organize and train Civil Defense staffs; inform local government of their responsibility in protection of the populace during emergencies; locate and stock fallout shelters; provide radiological defense programs; develop warning and communication plans for each political subdivision; assist in planning and building Emergency Operating Centers in all county seats; inventory and plan for communications equipment use; plan for utilization of all critical resources in the time of emergency; coordinate all training programs; assist in preparing operational survival plans in all areas of civil defense; and prepare and distribute Community Shelter Plans for each subdivision.

◦ ACHIEVEMENTS

- * We have completed several appropriate Emergency Operating Centers throughout Montana.
- * County-District Civil Defense exercises were conducted throughout the entire State.
- * The exercise "Slow Pace" took place over a nine month span of time, testing the State Plan for the Emergency Management of Resources, and provided training for the State Civil Defense staff.
- * Coordinated the State Donable Property Division with the administration of the Surplus Property Program.
- * Developed and secured local and national approval of Community Shelter Plans for fifteen counties in the State of Montana.
- * Developed, implemented and expanded the system of inspection, maintenance and calibration of Radiological Monitoring instruments throughout the State.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Individuals trained in Civil Defense	21,569	Increasing
Monitoring sets serviced	787	Increasing
Dosimeters processed	3,007	Increasing
Miscellaneous instruments serviced	4,503	Increasing
Shelter kits serviced	851	Stable
Shelter kits inspected	531	Stable
Monitoring kits inspected	655	Increasing
New facilities located	95	Stable
Shelters stocked	215	Decreasing
Total shelter spaces available and stocked	394,546	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	PUBLIC SAFETY	7
MAJOR PROGRAM AREA	▶	ACCIDENT PREVENTION AND CONTROL	1
ADMINISTERING AGENCY	▶	HIGHWAY PATROL	0802
Administering Agency's PRINCIPAL GOAL(S)	Accident prevention and maintenance of the peace and dignity within the State.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Patrol Operations		\$ 498,205
01	Driver Licensing		616,543
02	Field Services		1,632,246
03	Commercial Vehicle Regulation		141,116
▶	TOTAL		<u>\$2,888,110</u>

OVERVIEW

During the fiscal year, the Highway Patrol strived to direct performance of all statutory requirements relating to the highways of Montana and provide safety services to the citizens of Montana. The major problems confronting the Highway Patrol are of a financial nature. The improvement of present conditions within the salary structure, additional manpower, communications, physical facilities and legislation are of prime concern. The implementation of many measures to combat the problem of traffic safety fail to keep pace with the problem due to deficiencies in the financing of such programs.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds (\$508,000) should be appropriated to increase salaries of Highway Patrol personnel.*

ooo Within the last year nine men were lost to other occupations due to inadequate salaries. This reflects a total of 124 man-years experience and training. In addition, a high turn-over in key personnel creates operational problems.

2. Additional funds (\$750,000) should be appropriated to hire and equip an additional fifty highway patrolmen and administrative personnel.

ooo The major factor in reducing the State's annual death toll on the highway system is increasing efforts toward accident prevention, which can be brought by providing better coverage by enforcement officers. Sufficient personnel are required to administer an increased examination workload brought about by the third recommendation.

3. Additional funds (\$736,000) should be appropriated to revise and improve driver licensing services by increasing the life of a license to four years with a required written re-examination for each renewal and by classifying each license as to type of vehicle driven.

ooo The proposed four-year license, with written examination and classified license, would assure greater driver competency. The proposed changes would bring the State of Montana into compliance with all Federal driver licensing standards.

4. Additional funds (\$35,000) should be appropriated to implement the Implied Consent Program.

ooo It is estimated that approximately \$25,000 of the above amount could be Federally funded. Implementation of such legislation would be of significant help in combating the problem of drinking drivers who, as our reports indicate, are involved in at least 50 per cent of the fatal automobile accidents occurring in the State.

5. Legislation should be enacted to provide for an increase in licensing fees from \$2.00 a year to \$2.50 per year with an extended life of four years as opposed to the present two-year license.

ooo The increase in fee would offset the administrative licensing costs indicated in Item 3 above and also provide for issuance of more durable licenses. In addition to offsetting the above-mentioned costs, there would be net income to the General Fund for the biennium of \$536,509.

6. Legislation should be enacted to increase the fee for operator abstracts from \$1.00 to \$2.50.

ooo Adoption of this recommendation, it is estimated, would increase income to the State's General Fund as follows: fiscal year 1971-72 \$168,000—fiscal year 1972-73 \$205,500.

7. Additional funds (\$108,000) should be appropriated to purchase and install adequate gasoline tanks and pumps.

ooo The Montana Highway Patrol is currently purchasing gasoline which is delivered to overhead or exposed tanks in various locations through the State. The Highway Patrol has been informed by the State Fire Marshal that this installation must be protected, as required by State Fire Codes, as soon as possible.

8. Additional funds (\$150,000) should be appropriated to purchase and install communication equipment.

◦◦◦ The increased use of the law enforcement radio frequency 39.82 by other agencies makes communications of any type extremely difficult. This lack of communication is an increasing danger to the traveling public when emergency vehicles cannot be contacted.

9. Additional funds (\$128,000) should be appropriated to purchase a four-place, fixed-wing aircraft and a four-place helicopter.

◦◦◦ Excessive amount of time is spent in travel to distant parts of the State. The use of aircraft for this purpose would provide a net savings to the Patrol in administrative costs and aerial enforcement has proved to be a great assistance in many states. It is also believed that the use of a helicopter in a pilot program for emergency medical service would give the State valuable information as to feasibility for increasing this type of service.

10. Additional funds (\$150,000) should be appropriated to implement Motor Vehicle Inspection.

◦◦◦ A motor vehicle inspection is required by Federal Highway Safety Bureau Standards. National statistics indicate that a significant number of motor vehicles are operating with mechanical defects serious enough to affect their safe operation. By implementing this recommendation, a step can be made toward reducing involvement of such vehicles in highway accidents.

ANALYSIS OF PROGRAMS

PROGRAM ► PATROL OPERATIONS.....Cost \$498,205

◦GOALS

Effectively provide for general administration, accounting records, printing, accident analysis, purchasing, safety, education and information to the general public.

◦OBJECTIVES

Modernize and mechanize the general operation in keeping with the ever-increasing workload required in the above mentioned areas. Up-date record keeping systems in all areas. Establish an independent state-wide communications network to meet our responsibilities to the various agencies and national information interchange centers.

◦ACHIEVEMENTS

*The areas of education, engineering and enforcement found a substantial volume of the state-wide action through the inception of Patrol programs.

*Engineering changes and selective enforcement resulting from record analysis were noteworthy.

*Defensive Driving Courses, school bus driver seminars and support of and participating in driver education within the school system were areas of major improvement.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Hours spent on safety presentations	1,262	Increasing
School bus inspections performed	1,837	Increasing
Administered defensive driving course, various school bus driver seminars, first aid courses	3,500	Increasing

PROGRAM ► DRIVER LICENSING.Cost \$616,543

◦GOALS

Provide the best possible service to the public in the area of driver's licensing while maintaining the highest possible standards.

◦OBJECTIVES

Examine and renew licenses for the driving public; maintain a driver licensing record system of each driver's history; and attempt to improve the performance and knowledge of each driver.

◦ACHIEVEMENTS

•A new driver improvement plan became operational. The long-range effect of this plan should reduce the accident fatality rate.

•Progress has been made toward automating the driver license files to the point that some use will be made as early as January 1971 toward better communications.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Licenses renewed	139,717	Varies
New licenses issued	42,243	Increasing
Licenses suspended under driver improvement	3,282	Stable
Licenses revoked	1,560	Increasing
Licenses suspended under Safety Responsibility Act	3,293	Increasing

PROGRAM ► FIELD SERVICES.Cost \$1,632,246

◦GOALS

Assist the motoring public and make every effort to move traffic safely from point of origin to destination.

◦OBJECTIVES

Patrol in excess of six and one-half million miles in surveillance of Montana's roads and highways.

Retrain licensed drivers through the use of defensive driving courses. Continue programs of selective enforcement and utilization of other modern methods of law enforcement to combat the ever-increasing accident occurrences.

◦ACHIEVEMENTS

- *Increased personal contact with the motoring public in both the areas of education and enforcement.
- *Pilot programs of aerial surveillance were initiated.
- *Utilized more radar in an effort to reduce hazardous speeds.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Total citations and warnings	91,505	Increasing
Total accidents investigated	7,410	Increasing

PROGRAM ► COMMERCIAL VEHICLE REGULATION..... Cost \$141,116

◦GOALS

Protect the serviceability of the public roads and highways and ensure the payment of required legal taxes.

◦OBJECTIVES

Regulate the operation of trucks, trailers and heavy equipment traveling both intrastate and interstate on the roads and highways of the State.

◦ACHIEVEMENTS

- *Aided in the collection of fees related to commercial vehicle regulation.
- *Aided in the registration of commercial vehicles engaged in seasonal agricultural operations.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Contacts resulting in gross vehicle action	24,755	Increasing

GOVERNOR'S ANNUAL REPORT

Function ► **TRANSPORTATION**

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PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	TRANSPORTATION	8
MAJOR PROGRAM AREA	▶	AIR	1
ADMINISTERING AGENCY	▶	AERONAUTICS COMMISSION	1402
Administering Agency's PRINCIPAL GOAL(S)	<p><i>Provide general supervision over aeronautics activities within the State.</i></p> <p><i>Encourage, foster and assist in the development of aeronautics in Montana.</i></p> <p><i>Encourage the establishment of airports and other air navigation facilities.</i></p>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Administration		\$144,810
01	Airport Development		286,903
02	Airport Operations		39,868
03	Navigational aids		22,318
04	Safety and Education		83,849
▶	TOTAL		<u>\$577,748</u>

OVERVIEW

During the fiscal year the Aeronautics Commission continued its endeavors to develop aviation in Montana by establishing and improving airports and air navigational facilities. Other Commission activities have been to increase aviation education in schools and industry and to continually stress the need for safety in aviation. The effective maintenance and improvement of airports and navigational aids will continue to be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated (\$65,000) to provide a comprehensive study under the Airport Development Aid Program.*

ooo A comprehensive State plan study will be integrated into the National Airways Program. The recommended study is eligible for two-thirds matching Federal funds.

2. *Section 1-205, R.C.M. 1947, should be amended to include a paragraph to read as follows: "An act amending Section 1-205, R.C.M. 1947, to authorize channeling of federal airport funds for the development of public airports."*

ooo In the event federal funds are channeled through the State, it is important that Montana have enabling legislation.

3. *Additional funds should be appropriated (\$750,000) to match Federal funds to extend and overlay the Yellowstone Airport runway.*

◦◦◦ The improvement on the Yellowstone Airport has become necessary due to the utilization of larger aircraft by the airlines and to protect the existing runway surfaces.

4. *Section 1-323, R.C.M. 1947, should be amended to provide that the Commission may issue a temporary certificate of public convenience and necessity without notice or hearing to the applicant for a certificate (under this act) and the holder of such a temporary certificate may operate until its application is either granted or denied by the Commission.*

◦◦◦ This recommendation is submitted following a proposal by the attorneys for the Commission.

5. *Section 1-201, R.C.M. 1947, should be amended to increase the per diem allowed each Commission Member to \$25 a day plus actual expenses up to \$1,500 per year.*

◦◦◦ This increase is recommended considering the additional meetings of the Aeronautics Commission and the general rise in the cost of living.

6. *Portions of Section 1-301, R.C.M. 1947, and related articles that require the licensing and registration of Federal licenses, permits or certificates of civil aircraft; air schools; aeronautics instructors; aircraft repair shops; aircraft, aircraft parts and sales dealers; and other persons operating in aviation should be repealed.*

◦◦◦ The Federal Government occupies the field of determining the fitness of pilots and the airworthiness of aircraft. Therefore, the Montana statute requiring registration of the federal licenses and certificates does not in any way contribute to the minimum federal standards for safety and competence.

7. *Sufficient funds should be appropriated to allow the Montana Aeronautics Commission to license airports and other navigational aids as set forth in Section 1-301, R.C.M. 1947. In the event the Legislature is unable or unwilling to appropriate sufficient funds, Section 1-301 and all related articles relating to the licensing of airports and other navigational aids should be repealed.*

◦◦◦ Under the new Airport/Airways Bill, air carrier airports only will be licensed by the Federal Aviation Administration. All other airports in the State would not be licensed by the FAA. The Commission desires to study the matter further to determine if it is feasible to license the airports and what standards would be used to determine whether an airport is entitled to a license. The actual cost of licensing these airports is not known at the present time.

8. *Additional funds should be appropriated (\$100,000) to provide for the addition of VOR (VHF omnirange) stations.*

◦◦◦ The new airport at Glendive has had a tremendous increase in air traffic—including small business jets. The higher performance aircraft are in need of a navigational aid in the form of a VOR and an IFR approach and departure to the airport.

PROGRAM ► ADMINISTRATION Cost \$144,810

◦GOALS

Efficiently perform the day-to-day administrative duties of the Commission and see that Commission policy is carried out within the operations.

◦OBJECTIVES

Increase efficiency through improved management methods.

Furnish air transportation for all State departments on a reimbursable basis.

◦ACHIEVEMENTS

*The Commission fought against losing Frontier Airlines in the seven Eastern Montana cities. The Civil Aeronautics Board eventually allowed Frontier to suspend service temporarily from the Eastern Montana market. Apache Airlines, a third level or commuter carrier, was successful in a bid to replace Frontier.

*The Commission continued to assist the local Montana air carrier airports in Civil Aeronautics Board hearings. All testimony given has been to further air service improvement in Montana, primarily from the California markets.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Aircraft usage	885 hours	Unknown

PROGRAM ► AIRPORT DEVELOPMENT Cost \$286,903

◦GOALS

Aid each airport in Montana to keep pace with the ever changing aviation world.

◦OBJECTIVES

Provide needed technical assistance in engineering, planning and financing airport improvement projects for each Montana public airport and heliport.

◦ACHIEVEMENTS

*Four entirely new airports were built during the fiscal year. They are located at Glendive, Libby, Philipsburg and Fairview. Three other airports were improved substantially with new paved runways. They are located at Laurel, Sidney and Big Timber.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Engineering grants	4	Unknown
Airport improvement loans	\$8,811	Unknown

PROGRAM ► AIRPORT OPERATIONSCost \$ 29,868**◦GOALS**

Efficiently operate and maintain State-owned airports under supervision of the Commission, with highest regard for the safety of the people using the airports.

◦OBJECTIVES

Assist airport boards in problems of leasing, maintenance and management.

◦ACHIEVEMENTS

*Many airports have recently been lighted, marked and turf runways improved via this program.

*The Commission supplied prefabricated wind cone standards to public airports upon request. At the close of 1970 there were a total of 70 wind cone standards installed on public use airports throughout Montana.

PERFORMANCE INDICATORS

No performance indicators were submitted by the agency for this program.

PROGRAM ► NAVIGATIONAL AIDS Cost \$ 22,318**◦GOALS**

Effectively maintain all State-owned electronic and visual aids used by pilots flying in Montana.

◦OBJECTIVES

Encourage the addition of navigational aids wherever facilities and safety warrants them.

◦ACHIEVEMENTS

*The modernization and replacement of early radio equipment was continued with new radios being installed at Roundup, Lewistown and Broadus. Improvements were made at Chinook, Geraldine, Glendive, West Yellowstone, Butte and Chester.

*At the close of the fiscal year, Montana had 70 public airports with rotating beacons.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Homer beacons (H-markers) installed	3	Varies

PROGRAM ► SAFETY AND EDUCATIONCost \$ 83,849**◦GOALS**

Provide effective educational instruction and enforce safety regulations to prevent aircraft accidents

◦OBJECTIVES

Increase the number of pilots filing flight plans which will continue to decrease the costs of aerial searches.

Promote aviation and aerospace education in Montana schools.

◦ACHIEVEMENTS

*21 Flight Schools were approved during the year. Each school was visited by the Chief of Safety and Education approximately 2½ times during the fiscal year.

*The Aviation Mechanics Refresher Seminar was held with 50 mechanics in attendance.

*The two Commission sponsored films, "Montana and Its Aircraft" and "Montana and the Sky", enjoyed a 40 per cent increase in use to viewers in 40 states during the year.

*Six high schools participated in the Flying Classroom Program during the school year. 180 students participated. The classrooms were conducted with the assistance of the Aeronautics Commission aircraft and personnel.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Pilots registered	2,690	Unknown
Aircraft registered	1,203	Unknown
Expended for aerial searches	\$ 350	Unknown
Flight plans filed	2,940	Unknown
Aviation related film showings	1,345	Unknown

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	TRANSPORTATION	8
MAJOR PROGRAM AREA	▶	LAND	2
ADMINISTERING AGENCY	▶	STATE HIGHWAY COMMISSION	0908
Administering Agency's PRINCIPAL GOAL(S)	<i>Plan, layout, alter, construct, reconstruct, improve, maintain and abandon highways on the Federal-aid systems and State highways to the highest degree that finances will permit.</i>		
	<i>Effectively promote tourism in the State.</i>		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	General Operations		\$ 3,500,118
01	Highway Preconstruction		10,165,316
02	Highway Construction		74,621,814
03	Highway Maintenance		11,758,881
04	Advertising		344,272
▶	TOTAL		<u><u>\$100,390,401</u></u>

OVERVIEW

Montana's road building program has been greater this fiscal year than in any similar period in the State's history. We have kept pace with the increasing demands for new and improved highways on all road systems by fully obligating all federal funds. Concurrently, as we pursue a vigorous construction program, we are stressing the need for increased consideration regarding safety, environment and beauty. The recruitment and retention of qualified, dedicated personnel will continue to be of major importance. Of increasing significance is the need for an expanded advertising program which promotes tourism—the third largest industry in the State.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. *Additional funds should be appropriated to provide an increase in salaries.*

ooo The upgrading of present salaries is necessary to allow for competitive recruitment and to enable the retention of young, progressive employees as well as older, more experienced employees.

2. *Necessary actions be taken to insure that the required finances will be made available on a continuing basis at both State and Federal levels to provide for a reasonably uniform state-wide construction program.*

ooo In the interest of the orderly development and retention of qualified construction engineering personnel it is imperative that an orderly construction program be maintained.

3. \$600,000 for each year of the biennium should be appropriated to expand the services of the advertising program.

ooo Montana must be more aggressive in its promotion of tourism which is considered the third most important industry in the State, involving an annual expenditure of about \$125,000,000 by out-of-state visitors. A new, full-time photographer and a writer could account for hundreds of thousands of dollars worth of publicity for Montana for a nominal investment.

4. The Commission should assume responsibility for maintaining Secondary highways and frontage roads carrying over 100 vehicles per day and having paved surfaces with the counties being responsible for maintaining other secondary highways and frontage roads.

ooo Improved highway maintenance can be achieved through an equitable distribution of responsibilities.

ANALYSIS OF PROGRAMS

PROGRAM ► GENERAL OPERATIONS..... Cost \$3,500,118

◦GOALS

Provide effective overall administrative activities and related service functions which are essential to and support the other highway programs

◦OBJECTIVES

Guide the operations so that adequate and current data will be available to support administrative decisions concerning the assignment of available resources to the various highway programs.

◦ACHIEVEMENTS

*A significant addition to our organizational setup has been the establishment of the Internal Review Section. This step considerably upgrades the efficiency of auditing our accounts and in reviewing the various operations of the department to insure compliance with policies and procedures of the Federal Highway Administration and State laws.

*A reasonable timetable has been achieved in the design and completion of the new highway complex.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Construction contracts awarded (million)	\$70	Increasing

PROGRAM ► HIGHWAY PRECONSTRUCTION.....Cost \$10,165,316

◦GOALS

Provide an orderly schedule which will establish a backlog of projects that can be awarded to contract as rapidly as construction funds become available through federal financial control programs.

◦OBJECTIVES

Improve our surveillance of present and future workloads to streamline all the necessary actions required for project development. (This will result not only in improvements in our construction program but will in the long run allow a possible reduction in manpower due to the improved efficiency in the handling of our available manpower.)

◦ACHIEVEMENTS

*Performed detailed planning and designing of all Federal-aid construction projects on the Interstate, Primary and Secondary Highway Systems, as well as complying with schedules for this work on proposed future projects.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Cost of right-of-way	\$3,380,364	Increasing
Personal relocation assistance	48,858	Increasing
Utility relocation	2,357,983	Increasing

PROGRAM ► HIGHWAY CONSTRUCTION.....Cost \$74,621,814

◦GOALS

Supervise the construction activities in a manner that will comply with established specifications and meet federal requirements.

Inspect the construction to assure that the work is accomplished in the most efficient and economical manner with a minimum of disruption to traffic and adjacent land and development.

◦OBJECTIVES

Give increased attention to the use of improved construction techniques, equipment and materials in an effort to obtain better highways.

Include more safety features in highways constructed to protect the traveling public.

◦ACHIEVEMENTS

*119 contracts worth \$70,284,786 were awarded and 109 contracts were completed.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Summary of highway mileage:		
Federal aid highway system	12,030	Increasing
Local systems	66,224	Increasing
Completed interstate highway mileage:		
Four lane highway	326	Increasing
Two lane highway	263	Increasing

PROGRAM ► HIGHWAY MAINTENANCE.....Cost \$11,758,881

◦GOALS

Maintain the highways and related facilities of Montana in the best possible condition for service to the traveling public.

◦OBJECTIVES

Perform maintenance activities to a degree consistent with economy, so that the cost of maintenance will not encroach on the funds that must be assigned to other programs (principally the Preconstruction and Construction Programs) which require State funds to match federal funds apportioned to the State.

In an effort to develop more work efficiency on our roadways and to continue to hold the line as much as possible on employee rosters, we plan to further strengthen an internal study program to evaluate the offerings of modern mechanical technology as related to our highway maintenance needs. It is quite possible a greater mechanization of our districts and divisions will result.

◦ACHIEVEMENTS

*The Maintenance Division kept over 7,000 miles of roadway in safe, clear driving conditions during the year. This work involved full maintenance activities including plowing, sanding, patching, tear-up and re-lay; crack sealing, raising grade elevation, road-mix oiling, seal coat oiling; bridge painting and repair, underpass repair, culvert replacements, bridge widening; ditch cleaning and drainage; right-of-way housekeeping, fencing and repairs; seeding, signing (modernizing or additions, Interstate), and whatever preventive measures were needed.

*Without increasing personnel we have been able to keep abreast of maintenance activities imposed by: an inevitable growth in lane miles; an increase in right-of-way acreage; and by the imposition of the newer considerations in which maintenance activities must be involved—safety, environment and beauty.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Miles of highway maintained	7,712	Increasing

PROGRAM ► ADVERTISING..... Cost \$344,272

°GOALS

Encourage travel to and within the state by out-of-state visitors.

°OBJECTIVES

Acquaint the out-of-state residents with the attractions of the State by supplying attractive maps, brochures and other publications describing the many points of interest.

°ACHIEVEMENTS

- *The effectiveness of this program is reflected in the substantial yearly increase in inquiries received from out-of-state residents and in travel on our highways by out-of-state vehicles.
- *Thirty-nine new press contacts were made with metropolitan daily editors, travel agencies and magazines in Chicago, Los Angeles, San Francisco, Dallas, Minneapolis, Fort Worth and Houston.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
Photo stories	26	Increasing
Percentage increase in inquiries received from national advertising	350	Increasing

PROGRAM STRUCTURE		TITLE	CODE
FUNCTION	▶	TRANSPORTATION	8
MAJOR PROGRAM AREA	▶	LAND	2
ADMINISTERING AGENCY	▶	REGISTRAR OF MOTOR VEHICLES	0484
Administering Agency's PRINCIPAL GOAL(S)	Provide for efficient registration and licensing of all motor vehicles, trailers and semi-trailers, and all dealers thereof, in the State of Montana.		
PROGRAM INVENTORY AND COST SUMMARY			
CODE	PROGRAM TITLE		COST
00	Vehicle Registration		\$590,976
▶	TOTAL		<u>\$590,976</u>

OVERVIEW

During the year we continued to perform effectively in accomplishing all of the responsibilities with which we are charged. The economical production of license plates will continue to be of major importance.

RECOMMENDATIONS TO FACILITATE ACHIEVEMENT OF GOALS

1. Section 53--106, 1947 Revised Codes of Montana should be amended to provide for the issuance of new number plates for motor vehicles every five years.

ooo Present statutes require the issuance of new plates every two years. This results in plate production costs of approximately \$633,000, or an average of \$316,500 annually. The costs of five-year plates would be approximately \$687,000, or an average of \$137,400 annually.

ANALYSIS OF PROGRAMS

PROGRAM ► VEHICLE REGISTRATION.....Cost \$590,976

GOALS

Provide for efficient registration and licensing of all motor vehicles, trailers and semi-trailers, and all dealers thereof, in the State of Montana.

OBJECTIVES

To continually strive for greater efficiency through improved office management procedures in order to cope with the continued growth in the number of vehicles registered in the State.

To produce the required number of license plates in the most efficient and economical manner possible.

ACHIEVEMENTS

*Performed all functions in an efficient and timely manner even with vehicle registration experiencing a forty per cent increase over the past ten years.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>QUANTITY</u>	<u>TREND</u>
License plates produced	1,056,698	Increasing

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